

EIGHT PAGES  
FROM SUNDAY'S  
**The New York Times**  
WEEKLY REVIEW  
INSIDE TODAY

# THE JERUSALEM POST

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THE DIFFERENCE

## No new peace moves likely to come out of Hussein's Cairo trip

By DAVID BERNSTEIN  
Post Middle East Affairs Reporter  
and Agencies

Jordan's King Hussein yesterday underscored that a new Arab peace initiative is not likely to emerge out of his present visit to Cairo as he delivered before Egypt's People's Assembly a hard-hitting speech outlining positions widely at variance with Egypt's own.

Hussein reiterated his continued opposition to the Camp David accords, which remain the basis of Egypt's peace policy, and ruled out any immediate prospect that he might be brought into the peace process on the Palestinians' behalf.

Instead, he repeated his proposal, presented before the Palestine National Council in Amman last month, that an international conference be called to find a comprehensive settlement to the Middle East dispute, with the participation of the two superpowers and all parties to the dispute, including the PLO.

In his reply, Egyptian President Hosni Mubarak hailed Jordan's peace ideas as "a serious step towards the peace process." He said nothing, however, to indicate that Egypt is about to endorse these in place of its present commitment to American-led diplomacy as offering the best hope of ending the present impasse.

During his speech, which was warmly applauded, Hussein said the PLO is "on the threshold of an honest and sincere dialogue" aimed at joint action to secure the return of the territories captured by Israel in 1967.

He made it plain that he is not at this stage prepared to be "an alternative for the Palestinians in any negotiations" - but added that Jordan "is ready to be a partner with the PLO in any peace plan."

He also made it plain that his offer

of "territory for peace," made during his opening address to the PNC, left little room for territorial compromise with Israel. He vowed that there could be no peace unless Arab sovereignty was extended over all the occupied areas, including East Jerusalem. "What goal is more sacred and important than freeing Jerusalem, Islam's third holiest shrine?" he asked.

Hussein's position as presented in Cairo leaves little prospect for any immediate concrete action in cooperation with Egypt.

But it does not rule out cooperation in the future, if Egypt despairs of its current commitment to American-led diplomacy, or if Jordan can be persuaded that the U.S. is prepared to apply sufficient pressure on Israel to make a renewed American initiative a more realistic option than its present position.

It has been suggested that Jordan's espousal of the international conference idea is more tactical than anything else, designed to pressure Washington into taking a more forthright position against Israel's continued presence in the West Bank and Gaza.

### Peres call to Hussein

Jerusalem Post Staff

Prime Minister Shimon Peres says he is interested in meeting with King Hussein. He told the West German magazine *Bild* that he would like to meet the Jordanian ruler in order to work out a solution to the Palestinian problem.

It would probably not be possible to arrive at a solution in a single step, said Peres, but a meeting could improve the situation for the good of both peoples. Peres also said he hoped to meet with Egypt's President Hosni Mubarak next year.

## IDF soldier wounded in Sidon attack

SIDON (Ibm). - An IDF soldier was slightly wounded here yesterday when the vehicle in which he was riding came under small arms fire. Army patrols searched the area after the attack.

In Nabatiya, 14 residents were hurt, most of them slightly, when a handgrenade was thrown in a crowded market-place. Security sources said the background to the incident was a dispute over a taxi concession.

IDF and South Lebanese Army troops closed off the town after the explosion and conducted searches. The wounded were taken to local hospitals.

A few hours before, a roadside bomb was detonated as an IDF convoy passed near Nabatiya. There were no injuries.

## Sri Lanka extends curfew as new Tamil raid kills 11

COLOMBO (Reuters). - Security forces extended a curfew throughout northern Sri Lanka yesterday after attacks on two fishing villages raised the death toll in raids by separatist Tamil guerrillas to more than 150 in less than two days.

State radio reported the extension to five new coastal areas after guerrillas killed at least 11 people and wounded 13 more in simultaneous attacks on two fishing communities Saturday night, a government said.

The villages are about 50 km from two farms used as rehabilitation centres for ex-prisoners where the rebels killed an estimated 80 people on Friday. The government said more than 65 guerrillas died in subsequent battles with security forces.

The government spokesman said that the villages attacked Saturday night were Kokkila, some 50 km north of Trincomalee port, and Niyaru, 16 km farther along the coast. He said earlier reports yesterday giving the number of dead as 57

"were based on what terrified people who fled the attacked villages had told various officials."

Troops were unable to reach the villages because the rebels had mined the road, he said. Security forces were being sent in by helicopter.

The guerrillas, fighting for a separate state in the north and east of Sri Lanka where most of the country's minority Tamil population live, burned the huts of the fishermen, members of the majority Sinhalese community. The action forced about 3,000 Sinhalese, mostly women and children, to flee their homes to seek refuge in army camps, schools and temples.

The spokesman said that besides driving Sinhalese from Tamil areas, the purpose of the attacks was to provoke a backlash against Tamils in the Sinhalese-dominated south. Tamils make up some 12.6 per cent of Sri Lanka's 15.5 million people.

## 51 more Poles jump ship in West Germany

TRAVEMÜNDE, West Germany (AP). - Fifty-one more Poles defected from the ferry Rogalin, raising to 493 the number who have jumped ships on arrival in West Germany since November 16, a border police spokesman said yesterday.

The latest group defected on Saturday evening when the ferry docked in this Baltic Sea port on its journey back to Szczecin from Copenhagen, Denmark.

The Rogalin makes a weekly roundtrip between Szczecin and Copenhagen.

## IDF major 'warned Sharon' about impending massacre

Jerusalem Post Staff

An Israel Defence Forces major said yesterday that he had warned former defence minister Ariel Sharon only days before the massacre of Palestinians in Beirut in 1982 that civilians were liable to be slaughtered in Lebanon.

Rav-Seren (Res.) Nahum Menahem was testifying for the defence in the Jerusalem District Court as part of Sharon's \$50 million libel suit against *Time* magazine. His testimony was filmed to be shown in the New York court where the case is being heard.

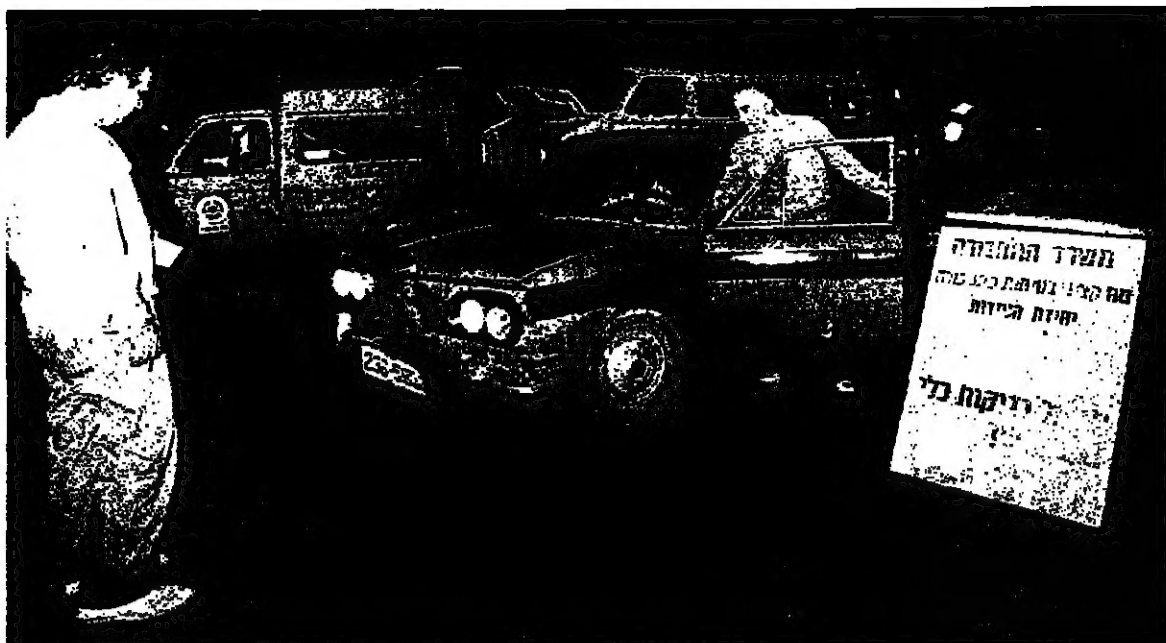
Speaking through an interpreter, Menahem said he gave the warning at a meeting with Sharon on September 12, 1982. Four days later

Lebanese Christian Phalangist militiamen entered two Beirut refugee camps where they killed 500 Palestinian civilians.

Sharon is suing the U.S. news-magazine for saying he instigated the massacre in revenge for the assassination of Lebanese Christian president-elect Bashir Gemayel.

Menahem, then serving as military governor of the Shouf Mountain district in Lebanon, told the court: "I explained to Sharon there may be a terrible slaughter. There were tensions, fights, confrontation between the communities in Lebanon at the time. Everyone could sense the hatred."

Menahem said he referred to the



An official of the Transport Ministry's Road Safety Authority inspects headlights at a checkpoint last night. Cars stopped by inspectors are spot-checked for safety and their drivers advised on how to correct faults. (Israel Sun)

## Heavy fighting flares in Kharroub

BEIRUT (AP). - Druse and Christian militias fought heavy artillery and rocket duels yesterday in the Kharroub region just above Israel's South Lebanon occupation zone.

Initial police reports said at least two people were injured in the flare-up in the Kharroub, the region where the Lebanese Army is scheduled to deploy later this week to the Israeli defence line at the Awali River.

The fighting, the worst in the area in weeks, began Saturday night and went on unabated for 12 hours. It subsided into sporadic sniper fire after an Israeli armoured patrol drove north into the area and Israeli gunboats and helicopters stood by.

State radio said the Lebanese Army command had readied the force to be deployed on the coastal highway and the Kharroub hills, but differences were still reported over the army take-over of the area from Druse and Christian militias.

Under the Kharroub security plan, government troops would take control of the coastal road and foothills from Druse and Christian militias.

The plan was originally scheduled for execution yesterday, but has been delayed at least until Thursday.

Aides to Druse leader Walid Jumblatt, who controls most of the Kharroub area, were quoted by the state radio yesterday as saying the Druse chieftain still has "reservations" about deployment of the army in the area.

A high-ranking Syrian military delegation is expected today in Beirut to help resolve differences over the plan.

Newspaper and radio reports said Jumblatt is demanding the Christian "Lebanese Forces" militia withdraw entirely from the coastal area, its last stronghold south of Beirut, before he would pull back his troops in the foothills.

The reports said another sticking point would be the army's demand that in addition to deploying troops on the coastal highway, it would take strategic positions in the overlooking hills.

In the fighting overnight Saturday, shells hit the main power plant which feeds the capital, in the coastal village of Jiye.

Extensive damage to the plant and one of the two power lines linking it with Beirut would force new power rationing in the capital, reports said.

## Who will be chosen? Dekel or Ben-Elissar?

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

TEL AVIV. - The dispute within Herut over the appointment of a deputy defence minister intensified yesterday with a renewed attempt to mobilize support for MK Eliyahu Ben-Elissar, Deputy Prime Minister David Levy's candidate for the post.

In telegrams to Herut central committee chairman Avraham Schechterman and MK Michael Dekel - the latter is Vice Premier Yitzhak Shamir's choice for the position - Ben-Elissar demanded that deputy ministers be chosen in elections by the central committee.

Ben-Elissar is also supported for the post by Industry and Trade Minister Ariel Sharon. Minister without Portfolio Moshe Arens and more than half of the Herut-faction members.

Shamir intended to bring Dekel's nomination before the cabinet last Friday. Shamir also was to nominate MK Ronnie Milo for deputy foreign minister, but there is no opposition to this choice.

The *Jerusalem Post* has learned that Shamir in fact dropped the matter when he discovered that the

Liberals and Shas were planning to raise the subject of their deputy-ministers. The two parties had been promised deputy-ministerships during the coalition negotiations.

When Shamir heard about their intentions, he decided to postpone the matter of the two Herut deputy-ministers. It is now not clear either how or when the issue will be resolved.

After the cabinet session, Levy declared that he would fight the selection of Dekel.

Herut MK Gideon Gadot also called yesterday for Ben-Elissar's appointment.

In his telegram to Schechterman, Ben-Elissar urged him to convene the party's central committee to vote for the deputy defence minister in direct, secret elections, according to clause 54 of the party's regulations.

Ben-Elissar's supporters fear that Shamir might try to bring the issue to the cabinet meeting due tomorrow.

## Moda'i calls for deal on subsidies cut

By AVI TEMKIN  
Post Economic Reporter

Finance Minister Yitzhak Moda'i last night called on Histadrut secretary Yisrael Kessar to agree to a rise in the price of subsidized goods this month, in return for the wage increments granted to public sector workers.

He made the demand at a meeting with Kessar and Prime Minister Shimon Peres at the premier's residence. Kessar rejected the request, and, after three hours of discussion, it was agreed that they would meet again, and that Moda'i would present his ideas on how to phase out the package deal.

The meeting took place hours after the Treasury disclosed that the government injected some IS130 billion into the economy in November. The Treasury said that if subsidies are not slashed soon, December's monetary figures are likely to be as bad as November's.

Yesterday's meeting was convened by Peres ostensibly to discuss teachers' demands for a wage increase. Nevertheless, Treasury sources said yesterday that Moda'i would be raising the issue of subsidies.

The Histadrut announced before the meeting, however, that it would oppose this point being included on the agenda.

According to the Treasury, about IS114b. of the IS130b. injected into the economy reflected the excess of

government spending over revenue, while the other IS16b. went towards repayment of matured saving schemes and bonds.

The Treasury noted that last month over IS160b. worth of savings schemes and government bonds reached maturity, and IS150b. was reinvested, with only IS16b. being cashed.

The Treasury is already worrying about December, when some \$450 million worth of savings schemes and bonds are due to reach maturity. The ministry believes that much of this amount will not be reinvested, but will be spent on consumer goods before the end of the price freeze.

The Treasury added that there was an increase in the excess of spending over revenue despite the fact that government expenditure was 10 per cent lower in October and November than the average monthly level for the first half of this fiscal year.

Thus, the ministry said, the large monetary injection was caused by the continuing fall in tax revenue and by some "technical factors."

Last month, tax revenue totalled IS314.3b., 12 per cent less than in November, 1983. Income-tax revenue totalled IS178b., 6.4 per cent less than a year ago, and value added tax was down some 18 per cent on November, 1983.

One of the technical factors was that the last day of the month was a Saturday, and therefore some 20 per cent of tax payments were registered in December rather than November. (Continued on Page 2, Col. 4)

## Foreign-currency reserves rose by \$827m. last month

By AVI TEMKIN  
Post Economic Reporter

Foreign-currency reserves rose by \$827 million last month, the Bank of Israel announced yesterday. At the end of November, the Bank of Israel announced yesterday. At the end of November the reserves totalled \$2.821 billion.

The increase in the reserves reflected the receipt of the one-time \$1.2 billion advance on American aid for 1985. The money was transferred at the end of October, but it arrived too late to be registered in October's statistics.

The bank declined to comment on what would have happened if the advance payment had not been made. It stated, however, that the government repaid some large foreign debts last month.

The bank added that the private sector's influence on the foreign-currency reserves level was negligible last month. The private sector had not demanded unusually large amounts of dollars, it said, despite the government's injection of some IS130b. into the economy last month.

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21.12.84			
AMSTERDAM	2	6	Cloudy
BRUSSELS	4	9	Cloudy
BIELMONT AIRS	14	21	Cloudy
CHICAGO	4	29	Cloudy
COPENHAGEN	4	29	Cloudy
FRANKFURT	4	29	Cloudy
GENEVA	2	36	Cloudy
HELSINKI	not available		
HONG KONG	17	63	Cloudy
JERUSALEM	14	21	Cloudy
LONDON	9	18	Cloudy
MADRID	3	10	Cloudy
MONTREAL	3	10	Cloudy
NEW YORK	4	10	Cloudy
OSLO	2	36	Cloudy
PARIS	6	15	Cloudy
RIO DE JANEIRO	28	34	Cloudy
SAO PAULO	18	24	Cloudy
STOCKHOLM	4	10	Cloudy
TOKYO	6	15	Cloudy
TORONTO	3	10	Cloudy
VIENNA	0	32	Cloudy
ZURICH	2	36	Cloudy

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## THE WEATHER

Forecast: Rain in north and central part of the country; partly cloudy in the south.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	50	6-14	12
Golan	59	-14	12
Nahariya	64	7-12	10
Safed	64	14-20	18
Haifa Port	52	10-20	18
Tiberias	64	14-17	18
Nazareth	58	5-20	18
Afula	58	6-16	14
Shomron	54	4-19	18
Tel Aviv	51	7-21	19
B-G Airport	44	7-21	19
Acre	58	10-20	19
Beersheba	42	5-19	19
Eilat	38	12-22	22

## SOCIAL & PERSONAL

West German Ambassador Dr. Niels Hansen last night opened an exhibition on German Expressionistic graphic art at the Haifa Museum.

## ARRIVALS

Fourteen participants in the Philadelphia Jewish Community Centre staff training seminar in Israel, for two weeks, in cooperation with the World Zionist Organization's Youth and Hehalutz Department.

## Hapoel Tel Aviv win

By DON GOULD  
Post Basketball Reporter  
TEL AVIV. — Hapoel Tel Aviv stopped Maccabi Ramat Gan 98-88 in the opening game of the 12th round of the National Basketball League at Ussishkin stadium here last night.

League high scorer Doron Jamchee earned 39 points for Maccabi Ramat Gan, but it was nowhere near enough to counter the well-balanced scoring attack of Hapoel Tel Aviv who were led by Mike Large with 24 points, Lavonne Mercer with 20, and Willie Sims with 19.

## Dental care survey I Behind Israel's teething pains

By D'VORA BEN SHAUL  
Jerusalem Post Reporter  
"Brush your teeth at least twice a day — see your dentist twice a year." This slogan of the American Dentists' Association may be heeded in the U.S. — but not in Israel.

The various ethnic groups brought different standards and traditions of oral hygiene with them when they immigrated. A common sight in the public schools in the 1950s and early 1960s was of a teacher or school nurse introducing 12-year-olds to the use of a toothbrush.

To this day, while some people have regular dental check-ups, most

## HOME NEWS

### Hundreds of volunteers searching for missing woman soldier

By DAVID RUDGE  
Jerusalem Post Reporter  
HAIFA. — Kibbutz Kfar Masaryk, which has offered a \$1 million reward for information leading to the whereabouts of missing 20-year-old soldier Hadass Kedmi, was inundated with calls yesterday — mainly from people volunteering to help in the search.

Kibbutz member Ami Singer, who is coordinating activities at the emergency centre set up in the kibbutz secretariat office, said all information is being thoroughly checked. But he said there has been no definite information regarding Kedmi, who was last seen about 6 p.m. Thursday on the Haifa coastal road at the junction with Derech Hayam.

Israel Defence Forces personnel joined police and hundreds of volunteers yesterday as they combed parts of Western Galilee, the Carmel Range, Zevulun Valley and the coastal strip from Hadera to Nahariya. More than 100 volunteers from Herzliya joined the search from their town to Netanya.

Police and army tracker dogs were called in, while two helicopters made constant overflights over the area. Coastal police were alerted.

Apart from performing essential services, most of the kibbutz members, including high-school pupils and volunteers from abroad, are involved in the search.

The Jerusalem Post learned yesterday that the police are investigating a possible connection between the disappearance of Kedmi and that of another soldier, David Manos, who disappeared in Haifa more than three weeks ago.

Haifa district police Deputy Commander Arie Goren said police are coordinating their inquiries into the two cases.

Manos, 21, from Petah Tikva, was last seen on November 7 trying to get a ride home at the hitch-hiking post near the Haifa central bus station not far from the spot where Kedmi disappeared.

Police inquiries are being conducted along two lines — that the incidents could be connected to terrorist activities or are of a criminal nature.

"We have not ruled out either possibility. At this stage there is no evidence pointing one way or the other," said Goren.

Other calls to the kibbutz yesterday came from people who said they had dreamed about the missing soldier and might be able to help. A number of callers also related incidents of friends and relatives who have disappeared.

Kibbutznik Singer said the atmosphere on the kibbutz is tense and everybody is gravely concerned for Kedmi's welfare. "We all realize that the passing of time is not to



Hadass Kedmi

Hadass's advantage, but we still have hope," he said.

Singer said they have received offers of help from local Druse and Arab villagers while Labour MK Abdel Wahab Darousha, recently returned from his aborted mission to the Palestinian National Council in Amman, had offered to enlist the aid of Arab schoolchildren in the search. Leaflets in Hebrew and Arabic, giving a brief description of Kedmi were distributed.

### 22,000 have driving licences revoked

Jerusalem Post Reporter  
Transport Minister Haim Corfu disclosed yesterday that 22,000 drivers have had their licences confiscated for traffic offences. He also told the Ministerial Committee on Road Safety that 2,000 offenders are being brought before special rapid-judicial tribunals for traffic offences every month.

The committee decided to recommend to the cabinet that funds for road safety should not be reduced in the framework of the budget cuts.

Eight people were injured yesterday afternoon when a pickup truck and a car were involved in a crash at the Malha crossroads in the Hula region. The injured, seven of them from the village of Tuba near Rosh Pina, were taken to Safad Hospital.

### Oil firm forbidden from firing workers

Jerusalem Post Staff  
TEL AVIV. — The labour court here yesterday handed down a restraining order temporarily forbidding the HNA oil-exploration firm from firing any of its workers.

HNA last week sent letters to a group of workers telling them they were sacked as of this Friday.

The request for the restraining order was submitted to the court by the Tel Aviv workers' council, whose advocate said that by firing the workers all at once, the company was violating an agreement with the council.

According to the advocate, HNA had agreed to let the workers go gradually, and only in coordination with the council.

### Burg's faction blasts him for demanding Interior post

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

TEL AVIV. — The National Religious Party's long-time leader, Yosef Burg, came under sharp attack yesterday for the first time from colleagues in his Lamifne faction.

The faction convened to discuss the merging of the NRP's two major factions, but it never reached that point because of the controversy over the distribution of the Interior and Religious Affairs Ministries in the government.

Burg, who had served for many years as interior minister wanted the party to choose the Interior Ministry. But NRP strongman Rafael Ben-Natan and Yehuda Ben-Meir, together with Energy Minister Moshe Shahal (Labour), have arranged to have the Interior Ministry given to Shas, while the NRP gets an expanded Religious Affairs Ministry.

"The party does not exist for you

but you for the party," one Lamifne member shouted at Burg.

Burg said later that his colleagues had made the arrangement with the Labour Party to get the Religious Affairs portfolio "behind his back" and were "selling him short."

Burg reportedly said Ben-Natan and others had not told him the truth, and that the Religious Affairs Ministry, even in expanded form, would still be a relatively insignificant ministry.

The NRP executive committee is to meet today to make its decision on which portfolio the party will have, thereby enabling Prime Minister Peres to bring the decision to the next cabinet meeting.

It is expected that Ben-Natan and Ben-Meir — the latter belongs to the NRP's Young Guard — will have mobilized a majority of executive committee members to vote for the Religious Affairs portfolio at today's meeting.

### Number of jobless getting compensation up 11.5%

Jerusalem Post Reporter  
Last month, 15,470 people received unemployment compensation from the National Insurance Institute, an increase of 11.5 per cent over October. Among those getting compensation, 3,765 received it for the first time.

From April through November, there was a rise of about 40 per cent in the number of people receiving unemployment compensation com-

pared with the same period last year. During this period there was an average of 14,000 applicants each month, of which an average of 3,000 were new applicants.

CHESS. — The general assembly of the International Chess Federation yesterday endorsed a proposal that the chess olympiad be held in Greece every four years.

### Homosexual motive cited in arson case

A 36-year-old Jerusalem resident has been remanded for 10 days by the magistrate's court on suspicion of hiring a youth from Ramallah to set alight a Jerusalem doctor's car. Police believe the motive for the crime was a frustrated homosexual relationship with the doctor.

The Ramallah youth, who was found near the doctor's car with a bottle of petrol, told the police he had been paid \$100 by the man to set the car alight.

The suspect admitted to a homosexual relationship with the doctor but said he had not seen him since the two vacationed together five years ago. The police presented the court with testimony from the doctor that he had given the suspect cigarettes and money regularly until a year ago.

The police are looking for a third person, seen with the suspect and the Ramallah youth shortly before the arson attempt. (Itim)

### Advocate withdraws petition on electricity price

Advocate Yehuda Kessler yesterday withdrew his petition to the High Court of Justice against the Energy Ministry and the Israel Electric Corporation for retroactively raising the price of electricity.

The court pointed out that it did not deal with matters which could be dealt with by another body. In a case of public welfare, it was possible to petition the district court, it was noted. (Itim)

## MODAT

(Continued from Page One)  
This development boosted the monetary injection figure by some \$560b.

Heads of the Histadrut's Teachers' Unions attended last night's meeting in an attempt to settle the dispute which has kept the school system on the verge of a strike for the past month.

Last week Kassar promised Yitzhak Welber, secretary of the teachers union, that the Histadrut would put its weight fully behind the teachers' demand that the increments they were awarded in arbitration last July be paid to them and that they be allowed to sign the framework agreement.

The teachers did not sign the agreement last summer for fear that doing so would jeopardize their case for the parity bonus awarded to them in arbitration. Payment was to have been made in November and December, but the Treasury did not make it, saying that this would be a violation of the price-wage freeze.

Although the Histadrut sought session last night, a Histadrut source told The Jerusalem Post that the

possibility of a school strike has not been ruled out since it is doubtful that the Treasury would endanger the price-wage freeze at this time.

Close to midnight last night a senior source in the Histadrut told The Jerusalem Post that no progress had been made in the negotiations and that neither side was willing to concede any important points.

### Bad meat destroyed

Kfar Sava (Itim). — Municipal officials here over the weekend confiscated and destroyed some 300 kilos of tainted meat. The action came after inspectors paid surprise visits on four local butchers.

Complaints are to be filed in court against the four for selling bad meat and failing to adhere to sanitary standards in their shops.

### Bloom loses in Spain

Jerusalem Post Reporter  
Israel's Gilad Bloom, 17, was out of the ATT \$25,000 Spanish Satellite circuit yesterday after losing to Spain's Antonio Rodriguez. Rodriguez won 6-1, 6-2 in straight sets.

## SHARON

(Continued from Page One)  
possibility of bloodshed between Christians and Palestinians and Sharon ignored his warning.

"He patted me on the shoulder and said there was nothing to worry about and everything would be all right," he said.

Menahem is one of five witnesses testifying in Jerusalem as part of the case.

He said he was told by the security authorities not to reveal certain facts during his testimony.

He said he had given Sharon

several examples of Phalangist attacks on civilians of other communities, but the defence minister said he was familiar with them.

At the start of the testimony, an announcement was made that Attorney-General Yitzhak Zamir is against Dan Horowitz, the Hebrew University military historian, testifying about an action against the Arab village of Katana near Kibbutz Maaleh Hahamisha in the Jerusalem Corridor in 1953.

Horowitz began giving testimony last week and will continue on Monday.

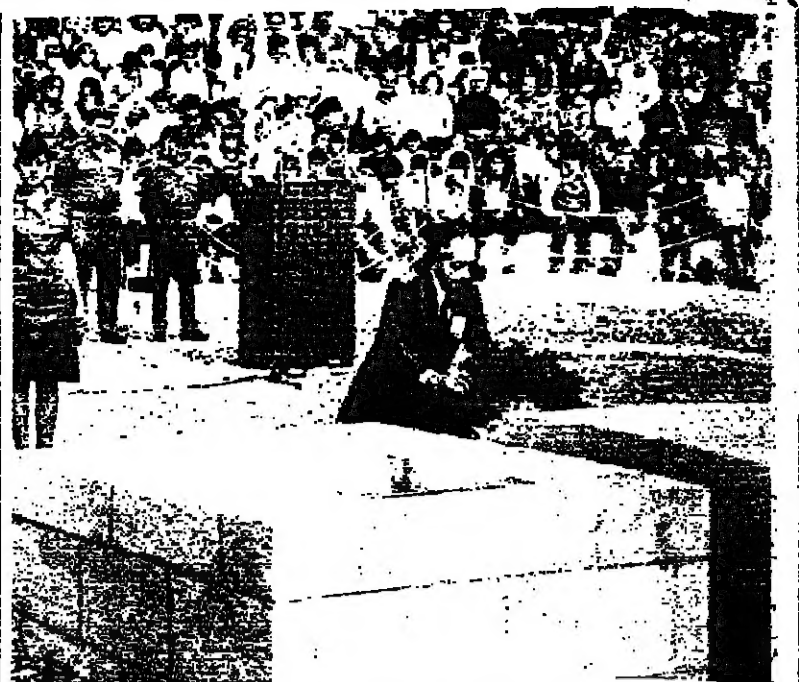
A MUSICAL EVENING,  
to mark the 20th anniversary of the passing of

### AVI SHACHAR (Blackman)

will be held at Kibbutz Sasa on Wednesday,  
December 5, 1984, at 9.30 p.m.,  
in the dining hall.

The Family and Kibbutz Sasa

Aliya Lakever, at 3.30 p.m.



Knesset Speaker Shlomo Hillel yesterday lays a wreath at the graves of David and Paula Ben-Gurion at Kibbutz Sde Boker. (IPPA)

### Peres at B-G memorial pledges aid for Negev

By LIOIRA MORIEL  
Jerusalem Post Reporter

SDE BOKER. — At a ceremony marking the 11th anniversary of David Ben-Gurion's death, Prime Minister Peres said here yesterday that the vision of Israel's first prime minister must be realized and the Negev must be settled.

Peres, a close associate of Ben-Gurion, was participating in the Sde Boker ceremony for the first time as prime minister.

"The Negev must become — as he dreamed it would — a source of pioneering, a fount of knowledge, and a centre of industry leading to independence," he declared.

It could also be a bridge to Israel's neighbours, because in the Negev there is no territorial dispute, Peres noted.

The graves of Ben-Gurion and his wife, Paula, situated on the edge of the wilderness of Zin, were ringed yesterday morning by national lead-

ers, including President Herzog, Knesset Speaker Hillel, cabinet ministers and MKs. The Likud was represented by cabinet ministers Moshe Arens and Moshe Katsav. Shas leader Rabbi Yitzhak Peretz was also present.

Peres said "We have still to use our creative power, to be an exemplary nation, a nation which does not depend on charity but which is willing to be charitable to others."

Later Peres was awarded an honorary Ph.D. by the Ben-Gurion University of the Negev.

Rector Haim Elata, conferring the doctorate, suggested that Peres, as the man committed to realizing Ben-Gurion's dream, must help save the Negev's only university.

Peres said that once Israel's economic difficulties were over, he would tackle three projects: higher education, developing the Negev and peace with Israel's neighbours.

### Several key PLO bodies being shifted from Damascus

Post Middle East Reporter and agencies

PLO Chairman Yasser Arafat has set about consolidating his control over the organization by formally moving several key PLO institutions from Damascus. This follows his triumph in convening last week's meeting of the Palestine National Council in Amman over Syria's objections.

PLO spokesman Ahmed Abdul Rahman was quoted as saying in Amman yesterday that the PNC itself is formally moving its seat from Damascus to the Jordanian capital, as was the Palestine National Fund — the PLO's main financial organ.

Also, he said, the PLO secretariat is being moved from Damascus to Tunis, which has been Arafat's headquarters since he was ousted from Lebanon a year ago.

Arafat appears determined to underscore his victory in Amman last week, when he settled once and for all that it is he and not Syrian President Hafez Assad who controls the PLO.

Arafat was unable to win the support of the two leading Damascus-based groups — Nayef Hawatme's Democratic Front for the Liberation of Palestine and George Habash's

Popular Front for the Liberation of Palestine, which are possibly bidding to set up a rival PLO to challenge his legitimacy. This would appear to have strengthened the PLO leader's resolve to tighten his hold over the organization.

The DFLP put out an urgent call over the weekend for a dialogue among rival factions — a call which coincided with a PLO announcement in Amman that it was setting up a special committee to effect a rapprochement between Arafat and his opponents.

### No injuries as bomb explodes at Kalandia

An explosive device went off yesterday at the Kalandia refugee camp north of Jerusalem. There were no injuries and no damage was caused.

Security forces imposed a curfew for several hours as they searched for those responsible for planting the bomb.

Yesterday the curfew was lifted at Dehaisheh refugee camp south of Bethlehem. It was imposed two days before after petrol bombs were thrown at Israeli vehicles travelling on the road to Hebron. (Itim)

On the first anniversary of the passing of our beloved

### IDA JUDITH JACOBS (Warsawska)

we will pay homage to her memory at the graveside on Tuesday, December 4, 1984 at 3 p.m. at the Segula cemetery in Petah Tikva. A lecture in her memory will be given on Monday, December 10, 1984 at 7.30 p.m. at the Organization of Vegetarians and Naturalists, 2 Rehov Bar-Kochba, Tel Aviv on "Awareness and Love of the Weak and the Elderly."

Jacob and Aviva Ilan, S.M.S., I.A.A.

AD009-30

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ODETTE ANTEBY,  
on the death of her

### Sister

and express our sympathy to her and the family.

Paz Oil Co. Ltd. Management and Staff

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THE JEWISH AGENCY FOR ISRAEL  
deeply mourns the death of

### SHLOMO YAFFEH

Director of the local steering committee in the Kfar Saba, Yoseftal, Kaplan and Eshkol neighbourhoods  
Our deepest sympathy to his family and the residents of the neighbourhoods.

AD006-10622

JAFI Renewal Department

The Technion and the Aeronautical Engineering Faculty  
mourn the death of

### MOSHE NIMROD

and offer condolences to the family.

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## NEWS BACKGROUND/David Rudge

## Light still undimmed for IEC workers

HAIFA. — The Israel Electric Corporation is taking no disciplinary action against employees burning the candle at both ends.

The IEC's joint management-workers committee decided last week not to take action yet against those of its 10,500 workers and pensioners alleged to have abused their free power privilege.

The committee was to have considered a "blacklist" of scores of employees said to have consistently used more electricity than the average IEC worker. The average IEC worker's consumption rate, in turn, is at least 1.5 times that of the average Israeli family.

Discussion was apparently deferred after the employees' representatives on the committee demanded more information about the alleged offenders, *The Jerusalem Post* learned.

Instead it was decided that representatives of the works committee would visit the homes of the suspected overusers and try to persuade them to consume less. Management meanwhile is to investigate cases of alleged abuse and provide the committee with the relevant data.

The committee, chaired by IEC personnel chief Abraham Brand, also decided to draw up a programme of advice for the corporation's 7,200 employees and 3,300 pensioners on ways of saving electricity.

Such measures have failed so far to convince anybody that the watchdog body really means business; it has already been dubbed a "paper tiger."

The employees themselves deny the charge. They maintain that the committee will curb those who use power wastefully.

Asher Cohen, chairman of the IEC's northern district works committee and the official stand-in for the national works committee chairman, said he supports the principle of a monitoring body.

Nevertheless he did not necessarily accept management's figures about excessive use and wanted to check the details for himself.

"Maybe there are genuine reasons why some workers use more than the average. The meters in their homes may be faulty, and we want to check these things before we decide what action should be taken," he said.

He reiterated that the workers would under no circumstances give up their right to free electricity.

It was in the knowledge of this steadfast refusal that IEC general manager Yitzhak Hofi opted for the compromise of an internal body to monitor and, hopefully, to limit the amount of free power consumed by the employees.

When the establishment of the joint management-workers watchdog body was announced in June, it was seen as a partial victory for Hofi, whose earlier appeals for voluntary control had fallen on deaf ears.

Yet since that announcement the committee's actions have been somewhat low key. It is still not clear, five months after the committee's formation, what disciplinary action, if any, can or will be taken against persistent overusers.

David Haguel, former chairman of the IEC's board of directors and a firm supporter of general manager Hofi, is sceptical of the watchdog committee.

"There is a real need for some kind of control, but I don't see this committee being able to do the job," said Haguel, who is still a member of the board of directors. Nevertheless, he agreed with the workers that it would be improper to take away their free electricity while other public-sector employees and officials continue to receive perks.

"The government should pass a law forbidding all perks. Employees should be rewarded in the form of bonus payments in accordance with their ability," he said.

Meanwhile, Energy Minister Moshe Shahal is keeping tight-lipped about the progress of his own investigation into ways of scrapping the IEC workers privilege. If the experience of the watchdog committee is anything to go by, however, his chances of success are slim.

## Price freeze being observed in territories

By AARON SITTNER  
Jerusalem Post Reporter

The enforcement of the price freeze in the West Bank and Gaza Strip has posed no serious problems so far, the Ministry of Industry and Trade said yesterday.

Since November 4 when the freeze went into effect, more than 5,000 spot checks have been made in factories and shops throughout the administered areas. Yet only about 100 inspectors' files have been opened and a few dozen warnings issued. No summonses have been issued.

Arab-speaking ministry inspectors have been spending their time in

the administered areas instructing and advising shopkeepers and other merchants on how to comply with the price-freeze regulations. If violations should occur between now and February 1 — when the freeze ends — violators will be brought into court, the ministry warned.

A ministry source admitted that long-standing rules requiring the display of prices "have never been fully enforced in Judea and Samaria and the Gaza Strip. However, as a result of the price freeze, businessmen in these places have become more conscious of the law."

The source added that in many shops in the administered areas mer-

chandise is sold for prices considerably below the maximum prices set by the ministry.

Meanwhile, Ministry Deputy Director-General David Brodet reiterated that the freeze has not affected the import of raw materials needed by local manufacturers. He was commenting on concern expressed by business organizations that factories would have to close if importers cease ordering raw materials because they cannot receive the shekel's true exchange rate for dollar-priced goods they import.

If such shortages should develop the package deal follow-up committee will consider special exemptions from the regulations, Brodet said.

## Police appointments in TA, Dan area

TEL AVIV (Itim). — Chief Superintendent Aharon Hason was appointed yesterday head of the Dan region of the Israel Police.

Hason, who is 55 and has spent 35 years on the force, served for the last three years as deputy commander of the region. Before that he held high positions in the intelligence and investigation branches.

Hason is a graduate in criminology at Bar-Ilan University.

The new deputy head of the region replacing Hason is Assistant Com-

mander Amos Ozni, 39.

Meanwhile, Assistant Commander Zacharia Banai yesterday took up his duties as head of the central unit of the Tel Aviv police.

Banai was picked for the post after the previous incumbent, Assistant Commander Assaf Hefetz, was convicted of press leaks and transferred, and Hefetz's temporary replacement, Assistant Commander Moshe Friedman, was given leave and put on trial on charges of consorting with a "controversial figure".

## Woman fined for evading national service

HAIFA (Itim). — A 21-year-old married woman was yesterday fined \$75,000 by the local district court for evading military service in 1981 by swearing falsely that she was religiously observant. Religious women are not compelled to serve in the army.

The prosecution asked the court to take into consideration that Sabrina Ben-Simon, 21, had meanwhile married and become pregnant, and therefore it was not demanding imprisonment.

Ben-Simon had declared that she observed kashrut and did not travel on the Sabbath. Later it was found that she did travel on the Sabbath.

She admitted to the court that she had erred in claiming that she did not travel on the Sabbath, but maintained that she did observe kashrut. She expressed regret for her statement.

She was found guilty of evading national service through a false declaration.

## Stricter criteria urged for hiring guards

TEL AVIV (Itim). — A committee is to be established with representatives of the police and the private security companies to set stricter criteria for the establishment of such companies and for the hiring of guards.

One proposal is for a minimum age for someone establishing a guarding company, who should also be able to show experience in the field and sufficient financial resources.

The decision to form the committee comes after the Cremisan murders in October, when students Revital Seri and Ron Levy were slain. Issa Nimr Jibrin of Dehaishe, who had served a sentence for murder in Jordan and who was employed as a guard at the Jerusalem Technological Institute, where he said he found the murder weapon, has confessed to the killings.

The companies have agreed to try to improve the standard of the people they employ as guards.

## Ashdod workers take wage cuts instead of firings

JERUSALEM Post Reporter  
ASHDOD. — Municipal workers yesterday signed an agreement with the municipality here to take a 5 per cent wage cut. In return, none of them will be laid off. The workers will also work nine hours less per month than before.

The municipal spokesman said the proposal would save some \$20 million per month. The new hours will involve starting half an hour later every morning at 8 instead of 7.30 — and working later on Sunday and

Tuesday, when the municipality is open in the afternoon.

The Interior Ministry had demanded the dismissal of 50 municipal workers.

## Village council striking over unpaid salaries

JERUSALEM Post Reporter  
HAIFA. — Many of the 92 striking employees of the local council of Arara in the Triangle demonstrated outside the Interior Ministry office here yesterday.

They said that they had not been paid their October salaries because the council has no money to pay them. They have been striking since November 13.

The strike also includes the village teachers, which has resulted in the school being closed.

The ministry's deputy representative in Haifa, Haim Kopelman, said the council is in trouble because the mayor does not enjoy a majority and cannot get the budget approved by the council, and therefore the ministry cannot make its allocation to the village.

EYE TREATMENT. — Jerusalem's

## Florida official here for study on terrorism

JERUSALEM Post Reporter

A Florida state senator is spending several weeks here meeting experts on international terror and learning ways to fight it.

Joseph Gersten of Miami has met with a number of government and military specialists and with the prime minister, justice minister and the chairman of the Knesset Foreign Affairs and Defence Committee.

"Organized international terror knows no bounds or boundaries, and we must therefore be prepared to fight this ruthless enemy of peace," he said.

He is working on proposing bills to prevent, to prepare for and to prosecute terrorists in Florida. He plans to consult with legislators from other U.S. states for a comprehensive campaign against terror.

## Death of Jerusalem pupil called accident

JERUSALEM Post Reporter

An Education Ministry investigating committee yesterday said that no one was to blame for the accidental death last month of Ayal Argaman, a pupil at the Denmark school in Jerusalem.

Argaman, 14, was killed when he suffered a sharp blow to his stomach during a scuffle with another boy in his class. Argaman was on a school outing in the Galilee.

The committee asked the ministry to review the entire matter of how teachers handle pupils during school sessions and on trips.

## A-Najah University due to reopen today

NABLUS (Itim). — A-Najah University here is to reopen today after a three-month closure. The Judea and Samaria Civil Administration shut the university after an exhibition entitled "Palestinian Heritage" was held there.

Material against the state was on display, as were examples of light and heavy weaponry.

Several attempts were made to shorten the period of closure, but only after the three months had passed did the administration give permission for the 3,000-student institute to reopen.

## PWD lacks funds to maintain interurban roads

JERUSALEM Post Reporter

TEL AVIV. — The chief maintenance engineer of the Public Works Department, Renven Yomtov, said yesterday that \$37 million had been requested to maintain inter urban roads properly, but only \$8 m. had been received.

He warned yesterday that some roads have become traffic hazards and the situation is likely to worsen.

Concerning work on what the news media have termed 120 kilometres of "red roads" — roads that are mostly two lanes and have a high rate of fatal accidents — he said that funds were allocated during the fiscal year to widen 35 km. However,



Mayor Meir Nitzan of Rishon LeZion (right) presents a menorah to the deputy mayor of Nîmes, France, Dr. Camille Lapierre, at a ceremony yesterday marking the signing of a friendship agreement between the two cities. (Studio 23)

## Workers paid below minimum can get balance from NII

By ILAN CHAIM  
Jerusalem Post Reporter

Increasing numbers of unemployed are turning down jobs on the grounds that the pay offered is less than unemployment benefit, according to a Labour Ministry memo.

In a memorandum to Labour and Social Affairs Minister Moshe Kat-sav, Nahman Ori, head of the ministry's labour relations department, says that the minimum wage is guaranteed by law. This means that anyone paid less than the unemployment benefit can have the difference made up by the National Insurance Institute.

Ori suggests that the ministry publicize the fact that anyone earning less than \$109,329 per month in November (or less than \$4,373 per day) can file a claim in the labour court.

The ministry spokesman pointed out that an unemployed person refusing an appropriate job is liable to lose one month's unemployment benefit. The spokesman added that the ministry is starting to check salary slips to find out how many employers are offering wages less than the legal minimum.

## \$7 million raised by Golda Meir Fund

By D'VORA BEN SHAUL  
Jerusalem Post Reporter

The sum of \$7 million has already been raised for the Golda Meir Fellowship Fund, according to the fund's international president, Sam Rothberg, of Peoria, Illinois.

At the presentation ceremony last night at the Hebrew University's Mt. Scopus campus, Rothberg said the promised \$10m. endowment funds will be available by the time the university's board of governors meets next June to celebrate the institution's 60th anniversary.

Awarding the fellowships to 27 scholars, Rothberg said that nothing else could so perfectly memorialize the spirit of the late prime minister.

and that next year the fund plans to award 50 fellowships.

Rothberg said the ceremony "marked one of the happiest moments in my life. For Golda Meir was a woman who made all of us better Jews."

The honorary Israeli president of the fund and former president of Israel, Prof. Ephraim Katzir, said the fund will make possible the "development of an intellectual elite of which we are so in need."

Hebrew University President Don Patinkin stressed the fund's importance at this time when the university is in financial distress. He expressed the hope that the fund will forge new links with the academic community of the world.

## Sixth Fleet ships in Haifa 'where they're supposed to be'

By YA'ACOV FRIEDLER  
Jerusalem Post Reporter

HAIFA. — The U.S. Sixth Fleet 80,000-ton nuclear aircraft carrier USS Eisenhower, accompanied by the nuclear-powered missile cruiser USS Mississippi arrived yesterday for a nine-day "Sixth Fleet presence" visit.

The commander of the Fleet's battle force, Rear Admiral James Flatley, laid to rest recent press reports from Washington about the ship's activity.

Speaking at a city hall reception, the admiral said they had not been ordered to stay in the eastern Mediterranean for an extra month to carry out possible retaliation against

terror attacks on U.S. targets. He said that the visit to Haifa and their weeks of exercises in the Mediterranean had been scheduled months ahead.

"It is just a coincidence that we are where we are supposed to be," he joked.

He also denied U.S. press reports that they had been supplied with special aircraft against terrorist targets. The 85 aircraft on the carrier have not been changed in two years, he said.

He said that his present tour is his 12th Mediterranean deployment, and although he has spent six years in the Mediterranean, this is his first visit to Haifa.

## Some Ethiopian immigrants 'improperly circumcised'

By HAIM SHAPIRO  
Jerusalem Post Reporter

Despite the efforts by the country's chief rabbis to ease the acceptance of Ethiopian Jews and remove any humiliating aspects of their being considered full Jews, all male Ethiopian immigrants will have to have their circumcisions examined by a mohel (ritual circumcisor).

A spokesman for the chief rabbis' office told *The Jerusalem Post* yesterday that some Ethiopian Jews have not been circumcised properly, and that a repeat operation is necessary. To determine when the operation is required, a mohel is to examine all male Ethiopian immigrants, he said.

According to the spokesman, circumcisions performed by community elders are in order. Circumcisions

by those whom the spokesman would only refer to as "other people," however, left a part of the foreskin intact.

An announcement from the Chief Rabbinate last week said that the chief rabbis had eliminated some difficulties for the Ethiopians, including the necessity to draw a drop of blood as a symbolic circumcision for all males. All Ethiopians, male and female, must still undergo ritual purification in a mikve (ritual bath).

A spokesman for the Ethiopian community said on Israel Radio yesterday that they regard the chief rabbis' treatment of them as humiliating.

The spokesman for the rabbinate said that the rabbis regard the Ethiopian community as fully Jewish.

## Interior Ministry releases IS5b. to local authorities

By AARON SITTNER

The Interior Ministry yesterday released \$5 billion as advance payment to local authorities on account of budgetary grants due them in coming months, ministry Director-General Haim Kubersky told reporters.

Later this week, another \$2b. is to be released on account of capital appreciation taxes collected by the Treasury, part of which are rebated to local authorities.

In a circular to all mayors and local authority heads, Kubersky reminded them that local authorities are a party to the package deal. "Therefore," he pointed out, "the section of the agreement referring to a general price freeze must be interpreted in its widest sense. That means that all obligatory fees collected by authorities or local and regional planning committees for services they render must not exceed

their levels of November 2, the cut-off date for the price freeze."

Kubersky noted that while formal legislation freezing the level of such fees has not yet been approved by the Knesset, "it is the opinion of the Ministry of Interior that until then, the price freeze regulations must be observed in spirit — and this is not only the ministry's view but also that of the attorney-general."

Kubersky admitted that freezing municipal fees would only add to the authorities' budgetary problems. But those problems will be raised in talks with the Finance Ministry, he said.

A strike last month by most local authorities was postponed at the last minute after a personal appeal from Prime Minister Peres. The workers planned the action because their salaries had not been paid, as the Interior Ministry had not transferred the necessary funds.

## Compulsory service won't be extended — IDF

Post Defence Reporter

The defence establishment does not intend to extend compulsory military service for either men or women, the Israel Defence Forces spokesman reported yesterday.

The spokesman was replying to reporters' questions following wide-

spread rumours that compulsory service would be extended. "The matter has not been raised, is not being considered, and there is no basis to the rumours," he said.

Men are required to serve for three years and women for two.

## Bus stops moved around near Tel Aviv station

Jerusalem Post Reporter

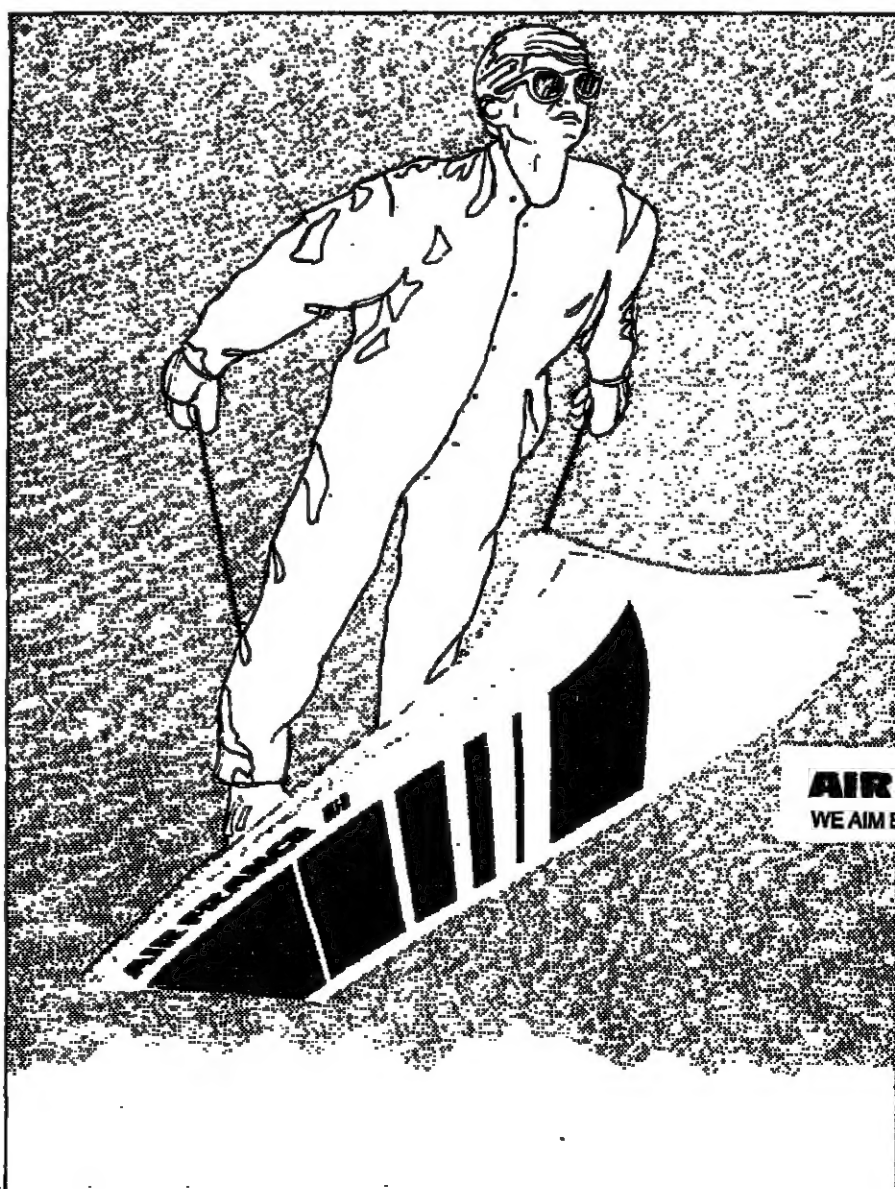
TEL AVIV. — In an effort to reduce congestion in the central bus station area here, Egged yesterday switched a number of bus stops.

The Egged spokesman said the

changes were made so that fewer buses would pass through certain roads, especially Rehov Solomon.

He also said Egged has grouped stations of buses going in the same general direction.

## THIS WINTER, SKI IN THE FRENCH ALPS



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## Support seen dwindling for British miners

LONDON (Reuters). - Problems are piling up for Britain's striking coal miners after nearly nine months on the picket lines in protest against planned pit closures.

The courts have seized their union's funds and a furor over violence has left them with dwindling public support.

On Saturday night the leaders of the National Union of Mineworkers (NUM) lost an appeal against a court order handing the union's £8.9 million to a receiver.

The appeal court's decision effectively prevents the union leaders

from supplying any money for the 38-week-old strike, now backed by about two-thirds of the country's 180,000 miners.

Miners' leader Arthur Scargill has also had to face problems arising from the violence which has marked the pit dispute.

On Friday taxi driver David Wilkie was killed by a concrete post thrown from a bridge as he was driving a rebel miner to work in the South Wales coalfield.

The killing provoked strong public revulsion. Two striking miners appeared in court Saturday charged

with Wilkie's murder.

Newspaper headlines yesterday reflected a widespread feeling that the outlook for the strikers is bleak.

"Scargill's back is to the wall," said the conservative *Sunday Express*.

The court order giving the union's assets to a receiver was the result of an application by 16 working miners who said the union's leaders were not fit persons to hold the funds.

According to the lawyer for Scargill and two other NUM leaders, the union's operation could be brought to a standstill if the receivership remains in force.

## Reagan yields to public pressure, 'Pravda' contends

MOSCOW (Reuters). - Domestic public pressure was one of at least three reasons why the U.S. had agreed to new arms talks with Moscow, Communist Party daily *Pravda* said yesterday.

It said only time would tell whether these reasons would outweigh Washington's previous "allegory to disarmament issues" and it was now up to the U.S. to act.

Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko are to meet in Geneva on January 7 to discuss reviving an arms dialogue, stalled since last year.

Writing in *Pravda's* weekly international review, Tomas Kolesnichenko listed these "important factors making the Reagan Administration agree to talks":

- Pressure of public opinion in the U.S. where he said nearly 80 per cent of the country wanted an arms accord between the superpowers.
- Fear of damaging relations with its NATO allies, who increasingly demanded East-West talks.
- "Life itself shows the need not of words but of concrete deeds."

## 30 killed in Philippines battle

ZAMBOANGA CITY, Philippines (Reuters). - At least 30 people were killed and more than 40 wounded in an eight-hour battle between a government infantry battalion and Communist rebels in the southern Philippines, the military said yesterday.

Twenty guerrillas and 10 soldiers, including a lieutenant, were known to have died in the battle 150 kilometres northeast of Zamboanga on Mindanao Island on Saturday.

The southern military command said the battalion engaged the fairly large and heavily armed group of rebels from the Communist New Peoples' Army, and were still chasing them.

In Davao, 250 km. east of Manila, Communist rebels shot dead four men near a chapel and wounded eight women and children late Saturday night, police said.

## Anti-flame fuel fails test

## Aviation officials 'perplexed' after intentional crash of jet

EDWARDS AIR FORCE BASE, California (AP). - A remote-controlled jetliner carrying 73 life-like dummies crashed in the Mojave Desert and burst into a fireball on

Saturday in a test of an anti-flame fuel additive which an industry observer said "didn't work as advertised."

"Perplexed" officials of the Federal Aviation Administration insisted the additive did extinguish an initial fire that engulfed the plane, but said they were puzzled by a secondary fire that raged through the plane's cabin moments later.

When the unmanned Boeing 720 jet crashed at 9:23 a.m., it was engulfed in a fireball at least three times the height of the plane. But the flames disappeared within three seconds, and a large plume of smoke rose skyward.

About 20 minutes after the crash,

a voice on the National Aeronautics and Space Administration's closed-circuit television channel on the base said: "We're still having some problems putting this fire out."

Aviation administrator Donald Engen said that despite uncertainties about the test, he still planned to issue a notice by the end of the year indicating the agency eventually will require commercial airlines to use the additive.

The primary purpose of the \$11.8 million demonstration - an intentional crash of a jet carrying 70,000 litres of fuel - was to test the additive, which is designed to prevent spilled fuel from breaking up into an easily ignited mist after a crash.

## Opposition in Pakistan raps referendum

KARACHI (Reuters). - Pakistan's main opposition alliance yesterday decided to boycott a referendum ordered by military ruler Mohammad Zia-ul-Haq to seek a further five-year term as president, opposition sources said.

They said the decision was taken at a secret meeting of representatives of all the 11 banned political parties grouped in the Movement for the Restoration of Democracy (MRD).

Zia announced in a broadcast on Saturday night that a referendum would be held on December 19 in which voters would be required to vote on his programme to enforce an Islamic order in Pakistan.

They would also indicate whether they supported Zia's plan to transfer power to the people's representatives after national elections he has promised to hold by next March.

The Jamiat Ulema-i-Pakistan (JUP), a religious party outside the MRD, also rejected the referendum plan.

## Grenada voting to restore democracy

ST. GEORGES (Reuters). - Grenada goes to the polls today to restore democracy in this Caribbean island of 100,000 people 13 months after a coup triggered a U.S. invasion.

Foreign diplomats expect the New National Party (NNP), a union of centrist groups set up with U.S. encouragement and led by veteran politician Herbert Blaize, to win the elections.

Its two main contenders are the right-wing Grenada United Labour Party (GULP) of former prime minister Eric Gairy and the Maurice Bishop Patriotic Movement (MBPM), named after the prime minister killed in the coup by a radical faction of his left-wing New Jewel Movement in October last year.

Nicholas Brathwaite, chairman of the interim government set up after the invasion, expects 80 per cent of registered voters to turn out.

WINDY. - For the seventh time in eight tries, high altitude winds on Saturday forced officials at California's Vandenberg air force base to postpone the launch of a \$56 million weather satellite that will double as a tracking station for radio distress calls.

MINTOFF. - Maltese Prime Minister Dom Mintoff will visit the Soviet Union later this month at Moscow's invitation, the Tass news agency reported yesterday.

## Cape Town daily defies ban by printing exile's speech

CAPE TOWN (Reuters). - A local newspaper, on Saturday openly defied the authorities by publishing a speech by an anti-government exile banned from being quoted in the Republic.

The *Cape Times* printed a speech by former newspaper editor Donald Woods in a debate at Britain's Cambridge University with South Africa's ambassador in London, Denis Worrall.

Woods said that many whites and blacks would be the world's "leaves on the South African wind" and criticized President Ronald Reagan's "constructive engagement" policy of seeking change through dialogue.

"What has happened in the four years of constructive engagement is that more blacks have died violently in Southern Africa than in the 20 years before."

"The only faint hope that remains to bring these people (the government) to the conference table is to

lean on them with every non-violent means that you've got. They are not going to respond to reasonable words," he said.

Law and Order Minister Louis Le Grange refused permission for the speech to be reprinted in South Africa.

*Cape Times* editor Tony Heard said, in a statement in Saturday's paper that the speech was published, after Worrall remarked during the debate that English-language newspapers in South Africa enjoy freedom.

Woods, former editor of East London's *Daily Dispatch*, evaded police in 1977 and flew into exile after being placed under a banning order, a unique South African punishment banning him from being quoted and being with more than one person at a time.

Woods was banned after campaigning for an inquiry into the death in police detention of black leader Steve Biko.

## New suspect in Gandhi killing

NEW DELHI (AP). - Police have arrested another person, described as a civilian from New Delhi, allegedly involved in the slaying of prime minister Indira Gandhi, the Press Trust of India (PTI) reported yesterday.

The news agency said the man, identified as Kehar Singh, was arrested and charged in the assassination conspiracy against the former Indian leader.

PTI, quoting special investigating

agency sources, said alleged assassin Satwant Singh told authorities Saturday he was motivated by fellow security guardsmen and Sikh Beant Singh to kill Gandhi after an army operation last June against the Sikhs' Golden Temple in Amritsar.

Both Satwant and Singh and Beant Singh, who are not related, were members of Gandhi's security detail when she was shot Oct. 31 in her residential compound.

## Freed Uruguayan politician pledges not to make waves

MONTEVIDEO (AP). - Political leader Wilson Ferreira Aldunate, released by Uruguayan military rulers after five months in jail, pledged support on Saturday for the rival Colorado Party that won in elections to choose a new civilian government.

"We are going to help the new government," Ferreira told tens of thousands of supporters celebrating his release. "We are going to help it so that it can operate in a climate of public peace and tranquillity."

The 65-year-old leader of the National Party was freed Friday night from a military jail in Trinidad, 200 kilometres north of Montevideo.

A fierce critic of the military regime that has ruled Uruguay since a 1973 coup, he had been arrested in the capital on June 16 upon returning from 11 years in self-exile.

His imprisonment prevented him from standing as a presidential candidate in last Sunday's national elections, won by Julio Sanguinetti and the Colorado Party.

The regime of President Gen. Gregorio Alvarez is to step down March 1, when Sanguinetti will assume office.

Sanguinetti has said he will pursue the backing of rival parties in tackling the country's severe economic problems, which include 61 per cent annual inflation, 14.5 per cent unemployment and a \$5 billion foreign debt.

Ferreira, driven in a noisy car caravan from Trinidad to the capital, erased doubts that he would support Sanguinetti's plan for a "government of national unity."

## U.S., Soviets will expand cooperation in agriculture

KNOXVILLE, Illinois (Reuters). - The Soviet Union and the U.S. announced an expansion of agricultural contacts yesterday that might lead to a revival of joint agriculture-related scientific and technological activities.

The announcement, made during a visit by Soviet Agriculture Minister Valentin Mesyats to U.S. Agriculture Secretary John Block's farm, is expected to lead to a resumption of joint work under the U.S.-Soviet agreement on cooperation in agriculture.

"I have directed Undersecretary Dan Amstutz and Assistant Secretary Orville Bentley to prepare with their Soviet counterparts the reactivation of the agreement and design a new programme of joint activities," Block said in a prepared address.

On arrival at the farm, Mesyats said: "We are talking about expanding those (agricultural) contacts on a mutually acceptable and mutually

beneficial basis."

Mesyats, the first Soviet agriculture minister to visit the U.S. since 1971, added that much had been done in the Soviet Union to improve agriculture in recent years.

The agreement calls for expanded cooperation in agricultural research and development, the application of new knowledge and technology to agricultural trade, and the exchange of information "necessary for such trade."

## SCOREBOARD

BOXING: NEL results - Los Angeles 6 Vancouver 3; Chicago 5 New Jersey 3; Philadelphia 3 Pittsburgh 1; Quebec 3 Hartford 4. BASKETBALL: NBA results - Detroit 131 Indiana 109; Portland 115 New York 93. ATELETICS: Japan's Tokumitsu, 24, running only his third marathon, won the Fukuoka marathon in 2 hours 10 minutes. SKIING: Mark Gaudin of Luxembourg won the opening event of the men's world cup slalom a total of 1,946.88 in the second slalom event. BOXING: Jamaican Mike McCallum retained the WBA junior middleweight crown in Manila when Italy's Luigi Marchillo failed to come out of his corner at the start of the 14th round.

## Sports

## IOC balk at strong action on boycotts

LAUSANNE (AP). - The International Olympic committee yesterday rejected all proposals to punish countries boycotting future Olympic Games and told the 160 national Olympic committees it was their responsibility to ensure full participation in the games.

Teams which stay away from a particular Olympic will, however, no longer be allowed to send officials such as judges and referees to help with the running of the Games.

The two-day special session here reiterated its full support to the organizing committees of the 1988 Summer and Winter Games in Seoul and Calgary, in the face of a growing Soviet bloc threat to boycott the South Korea games.

**Martina looks more and more infallible.**

Post Sports Staff

Martina Navratilova, who seems more and more invincible, gave a sign that she was but human when the 17-year-old Kathy Rinaldi took the first set of their third round women's singles match in the Australian tennis Open in Melbourne.

But after losing the opener 6-4, Navratilova was stung to restore her image of infallibility by waltzing through the next two sets 6-0, 6-1.

Chris Lloyd also had trouble but eventually bested France's Pascale Paradis 6-1, 6-7, 6-2.

Third round women's singles also included Boris Becker (WG), Scott Davis, Brad Gilbert and Ben Testerman (all U.S.), Guy Forget (Fr.), Kevin Curren (SA) and Leszek Nystrom (Sw.).

Israel's Shlomo Glickstein and Shash Perks had a promising run in the doubles brought to an abrupt halt yesterday when they were dispatched by the Australian pair Wally Masur and Brad Dyke. The Aussies won the third round tie 6-1, 6-4.

## More gloom for England

BOMBAY (AP). - England looks certain to lose the first cricket Test against India despite a cautious maiden century by vice-captain Mike Gatting on the fourth day yesterday. The day ended with England on 228 for seven.

Gatting, chasing the 50,000 strong holiday crowd, finally crossed the magic three figure mark after 11 Tests. His highest so far in Tests has been 81.

England are still a way off from wiping out a huge 270 run first innings deficit as once again they were all out on against the Indian spinners.

Scorecard England 195 and 228 (Gatting 136; India 465-8 dec.). New Zealand beat Pakistan by 34 runs in a one day Test in St. Louis.

In Melbourne, Victoria ground out 379-4 (Taylor 125 not out) in reply to the Indian ladies' massive 558-7 dec. There is one day left.

## Boost for Hapoel Haifa

By Don Gould

TEL AVIV. - Hapoel Haifa gained an important psychological fillip for their Korac Cup encounter against Maccabi Tel Aviv this week when they scored a come-from-behind victory over Gali Elyon in a postponed National League basketball game in Haifa on Saturday night.

Two foul shots just 1:50 from the final buzzer by veteran Larry Leshowitz, who was in splendid form, lifted Haifa into a 97-96 lead and they hung tenaciously on.

To spotlight the crowd, Haifa have another difficult home tie against Hapoel Ramat Gan. Other games - Gali Elyon v. Ashdod; Gali Elyon v. Be'er Taba; Holon v. Kiryat Gat; Mac Tel v. Mac Haifa.

## Page pounds Coetzee

SUN CITY, Bophuthatswana (AP). - Sixth-ranked Greg Page of the United States salvaged his career when he knocked out World Boxing Association heavyweight champion Gerrie Coetzee of South Africa in the eighth round, debuting Coetzee in his first title defence.

Page, 26, knocked Coetzee down for a mandatory eight count in the seventh round and both fighters had knocked each other wobbly with powerful rights earlier in the bout.

On the same bill - South African Piet Crous scored a shock points victory over defending champion Ossie Ocasio of Puerto Rico to lift the WBA junior heavyweight title.

Boxing: NEL results - Los Angeles 6 Vancouver 3; Chicago 5 New Jersey 3; Philadelphia 3 Pittsburgh 1; Quebec 3 Hartford 4. BASKETBALL: NBA results - Detroit 131 Indiana 109; Portland 115 New York 93. ATELETICS: Japan's Tokumitsu, 24, running only his third marathon, won the Fukuoka marathon in 2 hours 10 minutes. SKIING: Mark Gaudin of Luxembourg won the opening event of the men's world cup slalom a total of 1,946.88 in the second slalom event. BOXING: Jamaican Mike McCallum retained the WBA junior middleweight crown in Manila when Italy's Luigi Marchillo failed to come out of his corner at the start of the 14th round.

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## ENTERTAINMENT

## TELEVISION

EDUCATIONAL: 8.15 School Broadcasts (15.00) No Secrets 15.30 Pinocchio (part 9) 15.45 Pride and Prejudice 17.00 A New Evening - live magazine

CHILDREN'S PROGRAMMES: 17.30 Between Us - children's magazine 18.30 Different Strokes: The Barmitzva Boy

ARABIC LANGUAGE programmes: 18.30 News roundup 18.35 Programme Trailer 19.30 News

HEBREW PROGRAMMES resume at 20.00 with a news roundup 20.02 Trapper John - if you can't stand the heat, Hospital series 21.00 Mahat Newsweek 21.30 Tom, Dick and Harriet - new British comedy series starring Lionel Jeffries, Ian Ogilvie and Bridget Forsyth. Carrying Favour 22.00 This is the Time 22.30 Calbar - British espionage series starring Edward Woodward, Russell Hunter and Patrick Mower: The Contract 23.40 News

JORDAN TV (unofficial): 17.30 Cartoons 18.00 French Hour 18.30 (17.30) Science film 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Just Good Friends 21.10 Heart of a Dragon 22.00 News in English 22.15 Jemima Shore Investigates

MIDDLE EAST TV (from T.A. north): 13.00 Insight 13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie 16.30 Spiderman 17.00 Popeye 17.30 Super Book 18.00 Bonanza 19.00 Patrol Boat 20.00 Another Life 20.30 News 21.00 Happy Days 21.30 Monday Night Football 23.30 700 Club 24.00 News Update 00.30 Eventide

## ON THE AIR

Voice of Music 6.02 Musical Club 7.07 Delicieux: Suite from Opera Iva 7.30 Mozart: Piano Concerto in F, K.413 (Rudolf Serkin-Martha Argerich-Schneider) Verdi String Quartet (Barenboim). Author: Ballet Music from Marco Spada 9.30 Britten: Canadian Camata, op.19; Richard Bennett: Week; Jazz Calendar 10.00: Scaramouche (Alphons & Alois Kontarski; Shostakovich: Violin Concerto No.1, op.99 (David Oistrakh-New Philharmonia-Maxim Shostakovich; Tchaikovsky: Manfred Symphony (Ormandy) 12.00 Musical Greetings 14.00 An Hour with flutist Michael Meltzer in works by Tchaikovsky, Bach, Schindler 15.00 From Jewish Folklore 15.30 Youth Concert - Wandakinder in Music - with Yoav Talm, conductor; MC - music by Mozart, Ariana, Chopin, Mendelssohn Bilet 16.30 Jerusalem Symphony Orchestra, Gaby Bertini conducting, with Edith Wiens, John Broder, Finnish Choir Juu-late, Mozer Choir, Munich and RAU from South Africa, Brahms: Ein Deutsches Requiem, op.45 18.00 Music Vias, Michael Levinas, "Voice of Voices" Trio: Morar Desingradation; Ralf Gehlar, Pol: neopie 19.05 Rameau: Suite from Dardanus; Tchaikovsky: Sonata for Recorder, Hyl:in. Cello Concerto in C; Schubert: Sonata D.959 (Brendel) 21.30 Vienna Symphony Orchestra, Wenzel Saengerknecht Choir, with Peter Schreier, Gernot Hornik, Bach: "Die Himmel Ruchmen"; Bruckner: Mass in F minor The Clarinet Trio from Zurich - Anton Stadler; 5 Pieces for Basses-Horn; Mozart: Adagio for 2 Basses-Horn; Bassoon; Josef Wolfel: Trio for 2 Clarinets and Bassoon; Mozart: Divertimento for 3 Basses-Horn, K.439 23.00 Jazz Improvisations until midnight

First Programme 7.30 Morning Concert (from Voice of Music) 9.30 Encounter - live family magazine

## 10.30 Programme in Easy Hebrew

11.10 School Broadcasts 12.30 Education for all 12.45 Sephardi Songs 13.00 News in English 13.30 News in French 14.00 Children's programmes 15.30 News on a New Book 16.00 Religion Programmes 17.30 Evening's University: Biology 18.06 Afternoon Classics 18.47 Bible Reading 19.05 Reflections on the Portion of the Week 19.30 Programmes for Olim 22.05 Castles in Spain

Second Programme 6.53 Green Light - drivers' corner 7.00 This Morning - news magazine 8.05 Journey 9.05 House Call - with Rivka Michelson 10.10 All Shades of the Network 12.10 Open Line - news and music 13.00 Midday - news commentary, music 14.06 Matters of Interest - with Goli Gadi 15.05 Magic Moments - favourite old songs 16.10 Safe Journey 17.10 Economics Magazine 17.30 Of Men and Figures 18.06 Consumer Broadcast 18.45 Today in Sport 19.05 Today - radio newscast 19.30 Law and Justice Magazine 20.05 Cantorial Hit Parade 22.05 Jazz Corner 23.05 Treasure Hunt

6.10 Morning Sounds 6.20 University on the Air 7.07-7.07 - with Alex Anski 8.05 Morning Newscast 9.05 Right Now - with Shmuel Nechustan 11.00 Israeli Autumn - with Eli Yonah 13.15 Two Hours 15.05 Time Out 16.05 Four in the Afternoon 17.05 Evening Newscast 18.05 Army and Defence Magazine 19.05 Music Today - music magazine 21.00 Mahat - TV Newscast 21.35 University on the Air 22.05 Popular songs 23.05 Interview of the Week (repeat) 00.05 Night Birds - songs, chat

## ENGLISH BROADCASTS - ISRAELI RADIO

07.00-07.15 News and Press Review 13.00-13.30 News and Feature Programme 17.00-17.15 News 20.00-20.15 News Magazine on 1st Programme - 576 kHzHz - centre and north - 1170 kHzHz - Jerusalem area

## WHAT'S ON

Notices in this feature are charged at \$245 per line including VAT, insertion every day of the month costs \$148,300 per line including VAT, per month.

## Jerusalem

MUSEUMS Israel Museum Exhibitions: Photography, exhibition for children including demonstration corners (Palestine Center, near Rockefeller Museum). The Armad Hammer Collection, five centuries of masterpieces. Meet the Israeli Artists (Wed. 10.30-12). Artists present



# In Arrears

## Tax, Budget Plans Reflect The Depth of Fiscal Distress

By LEONARD SILE

**L**AST week the Administration started laying out plans for a radical change in the American fiscal system, and for completing the Reagan Revolution by further cuts in social spending.

It is not yet clear whether the President himself fully supports all the proposals his advisers are throwing to him, or whether Congress will give him what he wants if he fights for his advisers' recommendations. But what is clear is that the nation's disordered budget position, with the deficit running at \$210 billion, at least, in 1985, will require heroic measures if the nation's weakened economy is to be reinvigorated.

There is an uneasy sense in Washington, in Wall Street and in financial markets everywhere that the budgetary and fiscal chickens are coming home to roost, and if strong action is not taken, the national and world economy will lapse into recession. To deal with that threatening prospect, the President's top economic advisers last week offered a two-track plan.

On the fiscal side, Treasury Secretary Donald T. Regan presented Mr. Reagan with a sweeping and radical proposal. To correct the inefficiencies and inequities of the tax system, which it saw as unfair and a barrier to growth, Treasury proposed to eliminate a mass of deductions, exemptions and tax shelters to make possible a sharp reduction in personal and corporate tax rates. The present 16 brackets of the personal income tax, ranging from 11 percent to 50 percent, would be replaced by three tax rates set at 15 percent, 25 percent and 35 percent. The corporate income tax rate would be cut to 33 percent from a top rate of 46 percent.

The effect of wiping out many deductions and cutting rates would, in keeping with the President's orders, mean neither an increase nor a decrease in tax revenues, but be "revenue neutral." Mr. Reagan was holding to his campaign line of no tax increase except as a last resort. But he did not commit himself to support the tax plan.

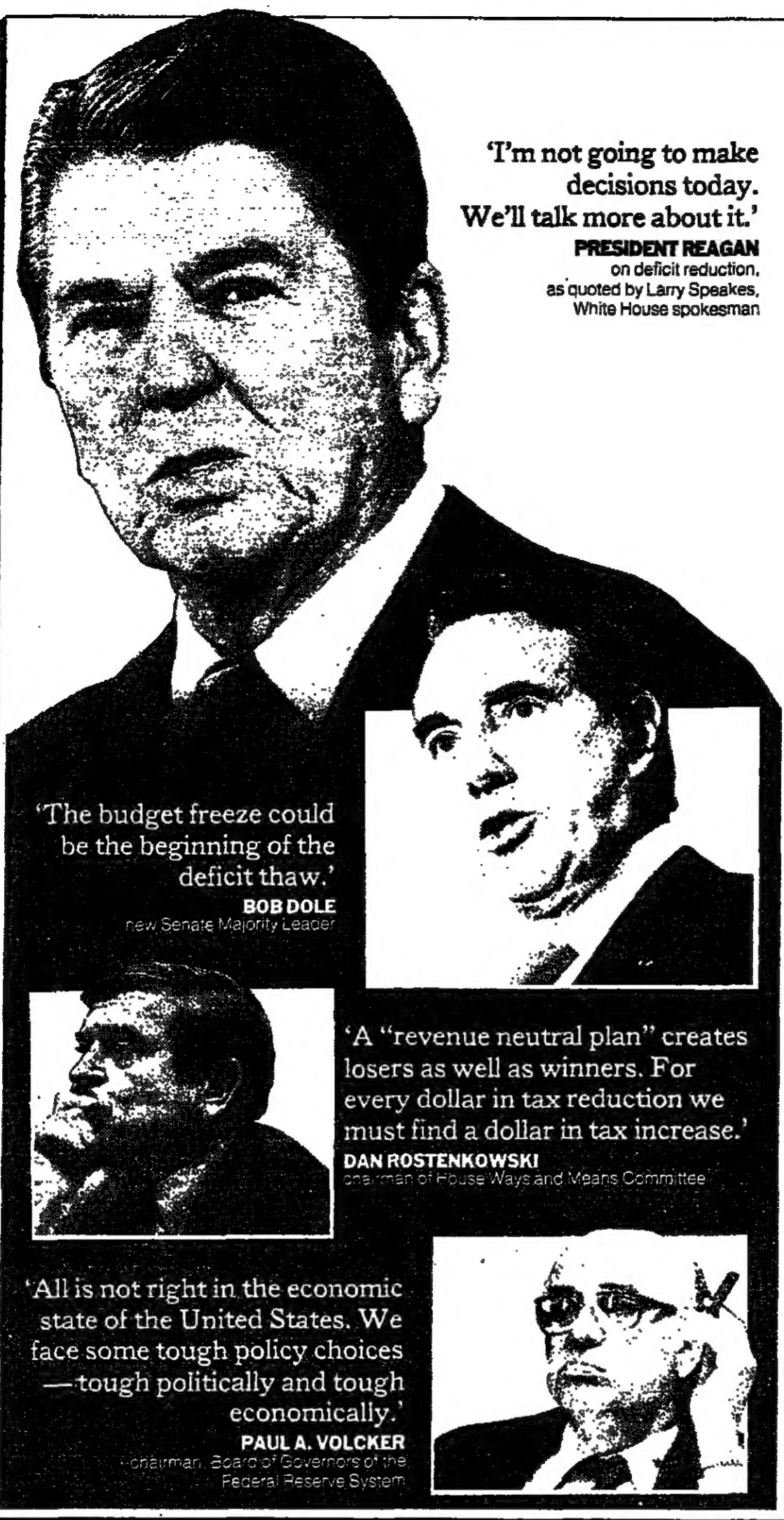
### A Partial 'Freeze'

His deficit-shrinking would all come from cutting spending. Early last week, budget director David A. Stockman gave Mr. Reagan a loose-leaf notebook full of proposals for cutting outlays, to bring the deficit down to \$100 billion by the fiscal year 1988. By the end of the week, Mr. Stockman's list had been transmogrified into a "freeze" in Government spending, which Mr. Reagan is said to have tentatively approved.

Under the so-called freeze, overall Government spending in the fiscal year 1986 would be held to current levels. That, officials said, would produce the same \$100 billion deficit in 1986.

But the freeze would not affect Social Security or the military, which together make up two-thirds of the current deficit. Interest on the public debt, running at \$130 billion this year, cannot be touched. That leaves only about one-fifth of the budget where cuts can be made. During the campaign, Mr. Reagan promised not to cut Social Security benefits of present or future retirees. And he continues to press for a rapid military buildup, although a battle rages between Defense Secretary Caspar W. Weinberger and Mr. Stockman, who contends the rise in military spending must at least be slowed down. Present betting gives Mr. Stockman the edge.

Critics of Mr. Reagan's freeze say it is no freeze at all, but a selective way to get rid of social programs. A decision to maintain overall spending next year at current levels, Administration officials say, would mean cuts of \$45 billion in areas outside Social Security and the military. But Charles L. Schultze, chairman of the Council of Economic Advisers under President Carter, contends that since interest payments on the swelling national debt will go up by \$15 billion next year, this would actually mean a \$60 billion cut in social programs, many of which have already been hard hit. These proposed cuts are likely to create revolt in Congress, not only among Democrats but also among many Republicans concerned



'I'm not going to make decisions today. We'll talk more about it.'

PRESIDENT REAGAN

on deficit reduction,  
as quoted by Larry Speakes,  
White House spokesman

'The budget freeze could be the beginning of the deficit thaw.'

BOB DOLE

new Senate Majority Leader

'A "revenue neutral plan" creates losers as well as winners. For every dollar in tax reduction we must find a dollar in tax increase.'

DAN ROSTENKOWSKI

chairman of House Ways and Means Committee

'All is not right in the economic state of the United States. We face some tough policy choices — tough politically and tough economically.'

PAUL A. VOLCKER

chairman, Board of Governors of the Federal Reserve System

about the 1986 Congressional elections and indeed over which party will control the White House in 1988.

The two-track Administration program is something of a political mystery. Major elements are uncharacteristic of the past Reagan campaign, others harmonious with it. Uncharacteristic in the fiscal plan is the proposed shifting of tax burdens from individuals to businesses, with individuals getting a net tax cut of 8.5 percent while businesses would get a tax increase of 25 percent. Further, the plan would lighten taxes on the poor and probably raise them for many of the rich. It would end the accelerated depreciation program, worth \$32 billion to businesses this year, together with the investment tax credit, worth another \$27 billion.

How did this Treasury tax proposal — a close cousin to the Democratic Bradley-Gephardt "Fair Tax" and the Republican Kemp-Kasten "Fast Tax" — happen?

A year ago President Reagan asked the Treasury to prepare a tax-simplification plan, to be delivered after

the election. During the campaign, the complex job of overhauling the tax system was left to the Treasury's professionals, working with little or no guidance from senior political officials. Since the President had asked for a plan to promote simplicity, equity and growth, there was virtually no other way for the Treasury staff to go, as the existence of the two Congressional flat-tax proposals indicates — one from a liberal and one from a conservative. To be sure, as Secretary Regan said, the plan was "written on a word processor," and special interests fearful of losing their loopholes will be fighting to make deletions and inserts. They may even succeed in wiping it out, either at the White House or in Congress.

Much in the President's budget plan, on the other hand, remains characteristic of his original approach. Mr. Reagan has long wanted to shrink the social role of Government, and his plan would move far in that direction. The Administration's new "bible" — the first was George Glider's "Wealth and Poverty," which called for richer rewards for the rich — is Charles Murray's "Losing Ground," which makes a powerful case against social programs as harmful to the poor.

### An 'Alexandrian Solution'

Mr. Murray offers as his "final and most ambitious thought experiment" a program for "scrapping the entire Federal welfare and income-support structure for working-aged persons, including AFDC (Aid to Families with Dependent Children), Medicaid, food stamps, unemployment insurance, worker's compensation, subsidized housing, disability insurance and the rest," leaving working-aged people with "no recourse whatsoever except the job market, family members, friends and public or private locally funded services. It is the Alexandrian solution: Cut the knot, for there is no way to untie it."

Opponents of the President's fiscal strategy may see it in terms of a different Greek myth: the Procrustean bed, with social programs chopped off when they don't fit the tax base. And Congress appears likely to resist either radical solution. Yet the huge budget deficit exerts powerful pressure for cutting spending; and Mr. Reagan is barring the way to higher taxes. A compromise will be hard to reach.

But the disorder of the nation's finances is aggravating its problems. Despite recent drops in the prime rate, now at 11 1/4 percent, interest rates adjusted for inflation remain high. The dollar is overvalued, and again rising. Though there was a small dip last month, October's trade deficit puts the year's total at its highest ever. The banking structure is weakened, and the economy depends increasingly on a huge inflow of foreign capital. Last week's report of the third decline in five months of the Index of Leading Indicators, a main gauge of economic activity, was a reminder of the danger of slump.

Lately the Federal Reserve has been trying to stave off recession by pushing down interest rates. But the money supply surged \$8.7 billion in mid-November, and analysts are worried that the Fed cannot do more to rescue the economy from a recession without generating inflation. In the midst of such uncertainties, last week the stock market sickened and fell. The Dow industrials closed with the week down 31.36 points, at 1,188.94.

## Senate's Dole Has His Own Budget Ideas

By STEVEN V. ROBERTS

WASHINGTON

**W**HEN Bob Dole won a hotly contested, five-man race last week to become the new Senate majority leader, the Kansas Republican captured one of the most powerful jobs in the capital, and got a running start toward 1988, when he is likely to bid for his party's Presidential nomination. But his selection also illustrates divisions within that party as President Reagan prepares for a second-term program of deficit reduction and economic resuscitation.

The final vote was between Mr. Dole and Ted Stevens of Alaska, and the choice symbolized what Senate Republicans were looking for in a leader. As Dan Quayle of Indiana noted, both men represented an "independent breed," feisty personalities who were not afraid to speak their mind or hold their ground, even against a popular Republican President.

The amiable outgoing leader, Howard H. Baker Jr. of Tennessee, was respected for his calm and collegial style. But toward the end of the last session, lawmakers worried that the Senate was running out of control. This time, they opted for a more assertive hand. As chairman of the Finance Committee for the last four years, Mr. Dole has earned a reputation as one of the best legislators on Capitol Hill, a conservative by background but a pragmatist by instinct who lives by the adage that politics is the art of the possible. He is also a natural on television, a crisp and witty speaker who can effectively represent the Senate to the public. If, as Walter F. Mondale maintains, no party will ever again nominate a Presidential candidate who cannot master the medium, the same may well hold for Congressional leaders.

### Keeping Election Promises

From the moment of his election, Mr. Dole followed the approach he had promised his colleagues: cooperate with the White House when possible, but disagree when necessary. As he rode the Capitol subway back to his office after the vote, he told a reporter: "I have a very high record of support for the President, but I also understand the separation between the Senate and the White House. It's got to be a two-way street." The next day, he started directing traffic by telling the President that White House plans for deep cuts in domestic programs would encounter stiff resistance. The better approach, he said, was to apply an across-the-board freeze to most Government spending so that cuts would seem more equitable and the opposition would be neutralized.

The initial White House reaction to Mr. Dole's election, and to his budget proposal, was positive. But two major battles, at least, loom ahead. Mr. Dole feels that to be successful any deficit-reduction package has to include less military spending and more tax revenues. Neither is an option the Administration has favored so far.

The new leader also seems ready to talk tough with the more ideological conservatives in his own ranks, led by Jesse Helms of North Carolina, who often frustrated Mr. Baker by promoting their own agenda. Mr. Helms may have been a bit frustrated himself last week, as he reluctantly announced that he would not take the chairmanship of the Foreign Relations Committee, but would keep a promise he made to home-state farmers during his re-election campaign and stay on as chairman of the Agriculture Committee.

Mr. Dole fired a warning shot at Mr. Helms and his allies. "Sometimes you just have to push; you just can't let one Senator tie up the Senate," he said at a press conference. At week's end, Mr. Dole was considering whether to accept the recommendation of a special Senate panel and push for a series of rules changes early next year that would strengthen the leadership's ability to expedite Senate business, in part by curbing filibusters.

Mr. Helms's decision opened the way for Richard G. Lugar of Indiana, who came in third in the leadership race, to take over Foreign Relations. Mr. Dole's elevation put two other moderates in control of major committees — Bob Packwood of Oregon at Finance and John C. Danforth of Missouri at Commerce.

### Confronting the 'Young Turks'

In five other leadership contests, the Senate Republicans also tended to pick centrists. Those choices place a pragmatic Senate leadership on a collision course with younger economic conservatives, led by Representatives Jack F. Kemp of New York — also a Presidential aspirant — and Newt Gingrich of Georgia. The Young Turks, as they have come to be known, advocate confronting the Democrats at every turn and dramatizing differences between the parties. Mr. Dole has long insisted that Republicans have to find "common ground" with Democrats.

Such talk angers the Young Turks, who have also clashed with the House Republican leader, Bob Michel of Illinois, a pragmatic conservative in the Dole mold. Richard Viguerie, a New Right organizer with close ties to the Young Turks, spoke for many of them when he called Mr. Dole's victory an "unmitigated disaster."

The divisions in the Republican ranks are not just ideological. They also reflect differences in priorities and perspective. Senate Republicans have a majority, and so responsibility for legislation. House Republicans, Mr. Dole notes, have been a minority for 30 years and have the "luxury" of avoiding the messy business of compromise. There is also a difference of perspective with the White House. Mr. Dole says that his aim is to fashion a deficit-reduction package that can get 51 votes. The President does not face the same institutional pressures.

And unlike the President, Mr. Dole and the 21 other Republican Senators up for re-election in 1986 have to calibrate every move for its political ramifications. Mr. Dole says that the best way to protect those running in 1986 is to "get the deficit down and keep the economy rolling." His legislative skill, and his sense of humor, will be sorely tried in the months ahead, as he tries to reconcile the conflicting factions in his own party, while reaching across the aisle for Democratic support.

## From Moscow and Washington, With Sincere Wishes

**B**OTH parties to next month's talks on arms control displayed enough good will last week to make almost a distant memory the sharp rhetoric the United States and Soviet Union were exchanging not so long ago.

In Washington, President Reagan's national security adviser, Robert C. McFarlane, said the United States was prepared to be "flexible and constructive" in the talks in Geneva Jan. 7 and 8 between Secretary of State George P. Shultz and Soviet Foreign Minister Andrei A. Gromyko. The President and Chancellor Helmut Kohl of West Germany, the first of several Allied leaders expected in Washington in the next few weeks, said after a White House meeting that "prompt and meaningful progress is possible." In Moscow, the Soviet leader, Konstantin U. Chernenko, told British visitors his side would consider the "most radical solutions" to all aspects of arms limitations.

Presumably to maintain a favorable climate, the White House held up until February the release of a report on violations of



David G. Kleim

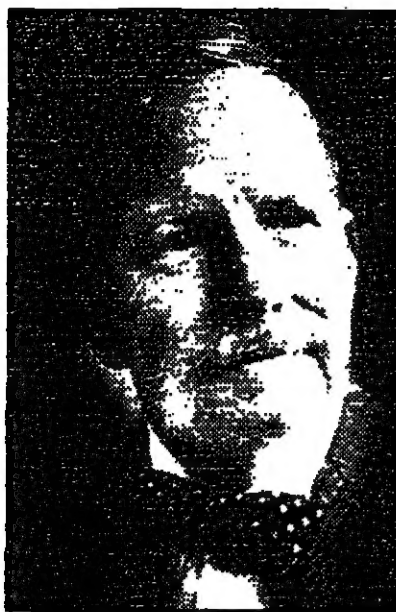
standing arms agreements the Soviet Union is alleged to have made. Despite the new optimism, Moscow gave the impression last week that it did not anticipate a slowdown in the arms race. The official Soviet military budget for 1985 was up by 12 percent. The published figure of \$23 billion, however, is only a small part of total arms-related expenditure. At the same time, Defense Secretary Caspar W. Weinberger rejected suggestions from Congressional Republicans to stretch out

American military spending as a deficit-cutting measure.

Talks on medium-range missiles were broken off by Moscow a year ago when deployment of such missiles began in Britain, West Germany and Italy. Last week, there was a small sign that Moscow's softened attitude might be having an effect on Western Europeans. In Belgium, the Social Christian Party, the largest component of the governing coalition, said deployment of cruise missiles, scheduled for March in Belgium, should be delayed if the January talks lead to a resumption of negotiations. To keep the political peace, the Belgian Government deferred a final decision until after a visit by Prime Minister Wilfried Martens to Washington next month. Mr. Reagan and Mr. Kohl pointedly warned, however, that the missile deployment would go forward "in the absence of concrete results" from the talks. The two leaders also called for strengthened conventional forces to reduce the need to resort to nuclear weapons to hold off a Soviet attack.



# The Nation



Judge Paul Garrity

## Sewage Ruling Bans Building In Boston

Few citizens distressed by a perception of legislative inactivity have the power to act on their frustrations immediately. But Judge Paul G. Garrity of Superior Court in Boston is one of them, and last week he did. Wednesday evening, he watched local television interviews with state legislators about the Massachusetts House Ways and Means Committee's decision to postpone action on a bill that would create a new state water and sewer authority. Thursday, he imposed a moratorium, retroactive to June 1983, on permits for commercial connections to the antiquated sewer system through which the state capital and 42 neighboring cities and towns still dump tons of raw sewage into Boston Harbor.

The action effectively puts a stopper in the \$500 million-a-year building boom that has been reinvigorating the metropolitan area of 2.5 million people. It also threatens to add to a long list of city institutions in receivership. The decision — the latest produced by a decade of lawsuits involving, among other things, the city's jails, public service hiring and its election-district lines — was followed by the announcement of hearings this week on whether the courts should take over the Sewer Division of the Metropolitan District Commission water system.

Judge Garrity said he would "back off with pleasure" if the Legislature was moved to act, as he had ordered it to more than a year ago — and by last week — after the city of Quincy, south of Boston, sued the metropolitan commission and state officials over pollution of its beaches and shellfish flats. There were mixed opinions on the prospect in the State House, where many lawmakers are concerned that a harbor clean-up would raise their constituents' water rates. Gov. Michael S. Dukakis has filed legislation creating a new water and sewer agency with the power to sell bonds; that bill and one dealing with sewer services are languishing in the House.

## Texaco's Loss Without Tears

Those cynics who believe corporate bookkeeping is sometimes done with mirrors might find something to reflect on in an announcement last week by Texaco Inc. The company said it had decided to reduce its valuation of certain assets, creating a \$765 million write-off to be charged against fourth quarter earnings.

Analysts said the move resulted from thinning profits, excess refining capacity and other pressures that affect the oil industry as a whole. Part of Texaco's move, writing off some of its exploration acreage, demonstrated Texaco's belief that the industry's future isn't as rosy as it once appeared.

But there were one or two other factors involved in the accounting move that helped brighten the picture, at least for Texaco. The company has begun to sell off some of the assets it acquired in its \$10.2 billion purchase of the Getty Oil Company last summer. And one chunk of properties, now worth \$2.1 billion, was carried on Getty's books at only about \$1.2 billion.

The company said the apparent \$900 million profit would not be reported as earnings, but as a sort of postpurchase reduction in the cost of the remaining Getty assets. However, Texaco wants to treat it, money is money, and Barry Good, an analyst with Morgan Stanley & Company, said the company's large write-off "is related to the fact that they have the \$900 million — they have substantial gains and they must look for some way to offset them."

## Weighing Time Against Life

It makes no sense to poke along at 55 miles an hour when there's no one else on the road, say drivers of the West's empty, smooth interstates

who want to go faster than the speed limit. But it makes even less sense, say motorists whose nerves are tested on traffic-clogged and second-rate roads elsewhere, to argue that saving time is more important than saving lives.

A panel set up by Congress two years ago to study the 55-mile-an-hour limit has taken both arguments to heart. In its report released last week, the Transportation Research Board of the National Research Council said that, on the one hand, the federally imposed speed limit saves between 2,000 and 4,000 lives a year and should be retained. But the panel threw back to Congress the burden of making a "value judgment" on whether to allow higher speeds anyway on long stretches of the interstates, saying that they could have benefits without a "proportional impact on safety."

If speeds of 60 or 65 were allowed on about 75 percent of the interstates — 31,000 miles of the 42,500 miles of interstates would be affected — about 500 more people would die each year, the panel said. Put another way, about 850,000 hours of travel time would be saved for every life lost, the panel said. Safety groups said the report provides ammunition for those who oppose the current speed limit.

## Recalling Some Contested Cars

Safety on the highways begins on the car maker's drawing board. With the prodding of Government regulators, the Big Three auto companies last week announced that they would recall more than four million cars, the sixth biggest recall ever and the largest during the Reagan Administration. General Motors alone is calling back 3.1 million of its midsize models, from 1978 through 1980, for a rear-axle problem. Ford's action involves several late-model compacts and subcompacts that may have alignment and brake-line complications, and Chrysler is recalling some of its popular new vans for fuel tube problems.

Transportation Secretary Elizabeth Hanford Dole called the agreement the "fastest possible solution to our safety concerns." But the Center for Auto Safety, a consumer group, was not impressed. Since the Government did not formally order the recall, the group complained, the repair of the cars will not have to comply with Federal guidelines.

G.M. had fought any recall, saying that the number of consumer complaints did not justify such a huge action. It consented, analysts said, partly to avoid a long court fight.

That is just what the company and the Government face because of another G.M. car. Last weekend, the auto maker said it would reject a request by the National Highway Traffic Safety Administration for a recall of the 1980 X-cars. Defects have been found in the compact car's power brake system. The Government has already filed a suit in the same case and is seeking the "immediate" recall of 1.1 million X-cars and a \$4 million fine against G.M.

## Mismanaging Indian Affairs

If there ever was a need for the Bureau of Indian Affairs — many native Americans might argue there was not — there no longer is, according to a report issued last week by President Reagan's Commission on Indian Reservation Economies. The commission was sharply critical of the B.I.A. and recommended that it be replaced by a more competent and less meddlesome agency.

As it stands, the B.I.A. aims at "paternalistic control and thrives on the failure of Indian tribes," said Frank Ryan, staff director of the commission. The report accused the B.I.A. of "excessive regulation" and "incompetent" management, contributing to a situation in which the agency "consumes more than two-thirds of its budget on itself, contracting only 27 percent of its programs to Indian tribes."

The report did not address one major complaint of Indian leaders — that direction of the agency frequently gives rise to conflicts of Federal and Indian interests, with Indians invariably the losers. However, B.I.A. officials acknowledged there were such problems.

The main remedy recommended in the report was increased "self determination" for native Americans. Under a new agency called the Indian Trust Services Administration, Indian leaders would be urged to stress entrepreneurship as a priority. The report recommended spending \$200 million over a five-year period for that purpose.

Mr. Ryan said that could be accomplished without budget increases. "It means that the other 73 cents per dollar that the B.I.A. spends on itself will now go to the people who need it," he said. "The B.I.A. will resist it, of course."

Caroline Rand Herron,  
Carlyle C. Douglas  
and Michael Wright

## Secretary's Comments Regarded as a Slap at Shultz

# Weinberger's War Guide: Follow the Direct Route

By LESLIE H. GELS

WASHINGTON — Hardly a year has gone by since the end of World War II that Americans have not struggled with the issue of when and how to use military force. Last week, Defense Secretary Caspar W. Weinberger entered the fray, arguing that the standard should be: Be prepared to fight virtually everywhere, but then decide either to win or, failing that, to get out or stay out in the first place.

This was to be Mr. Weinberger's defense doctrine for the 1980's, the guide for the use of American military force on which more than a trillion dollars will be spent in the next four years. Extreme caution in making commitments, but once committed, go all out to win, nothing short of unconditional surrender. Grenadas, yes, but no more Vietnams or Koreas, no more limited wars for limited ends.

The Secretary's was a classic statement of the traditional military point of view — black and white, win or lose — as against the blurred and gray world of the diplomat.

But were the guidelines he offered clear and practical, and how did they fit with the exigencies of diplomacy? These were among the questions in the wake of Mr. Weinberger's address to the National Press Club on Wednesday.

He had little to say about ends in that speech. Only get involved militarily if the interests are "vital" and then, only as "a last resort," he stated.

It was almost as if he were saying that judgments about means should determine ends. Thus, if it were determined that the United States was not prepared to use the necessary force to win in any given situation, better to disentangle or not get started.

He did not deal with whether commitment to Korea or Vietnam was good or bad. What was wrong was the "gradualist incremental approach," he said, seeming to imply the errors were not going to the Yalu river border to defeat North Korea and China and not bombing North Vietnam to kingdom come.

How did Mr. Weinberger apply this to the immediate case in point, Central America?

His text did not suggest whether he thought it would be right or wrong to use force there. But he was quite clear about the means: "The President will not allow our military forces to creep — or be drawn gradually — into a combat role in Central America or any other place in the world."

To make his points, Mr. Weinberger set up two adversaries. First, there was a Congress he labeled "isolationist," and which he charged was unwilling to fight anywhere. Then, there were the "theorists," taken by everyone to be Secretary of State George P. Shultz and his diplomats, who he accused of being too eager to use force almost everywhere for fuzzy diplomatic objectives.

The Congressional target was not surprising. The State Department target was. It brought into the open a long-festering dispute between the two men. Mr. Shultz has been in the vanguard of arguing to use American military might in Grenada, Lebanon, and generally against terrorists and states sponsoring terrorism. Mr. Weinberger and the Joint Chiefs of Staff have been reluctant in each case. Mr. Shultz prevailed in Grenada and Lebanon, and it remains to be seen how President Reagan will decide to respond to future terrorist attacks.

But Mr. Weinberger has not given up the battle. "Employing our forces almost indiscriminately and as a regular and customary part of our diplomatic efforts," he said, "would surely plunge us headlong into the sort of domestic turmoil we experienced during the Vietnam war, without accomplishing the goal for which we committed our forces."

Was Mr. Weinberger suggesting that force not be used as an instrument of diplomacy?

Is the United States to refrain from sending A-7s radar control aircraft to Saudi Arabia to send a signal to Iran or making a similar gesture of support for Egypt to deter Libya?

Is the United States to forswear naval and military exercises in the Caribbean to affect the attitudes of Cuba and Nicaragua toward negotiations unless the Administration is prepared to use all-out force against these countries?

Mr. Weinberger's aides say that their boss supported all of these actions. He just wanted to make sure that each was not the first step on the slippery slope to gradualism.

The question remains, who is to say where any given step might lead in a dynamic situation? As Mr. Weinberger himself stated in his guidelines: "Conditions and objectives invariably change during the course of a conflict." The relationship between

objectives and forces, he stated, "must be continually reassessed."

He also says decisions on the use of force depend on domestic backing. "Before the U.S. commits combat forces abroad, there must be some reasonable assurance we will have the support of the American people and their elected representatives in Congress," he stated in the speech. But at the same time, he condemned Congress and implied that laws such as the War Powers Act — by which Congress is empowered to end American combat involvement after 60 days simply by not voting to extend that involvement — only get in the way of responsible executive action.

In the case of Lebanon, Congress voted under the War Powers Act to leave the marines in Lebanon for 18 months. That was a mandate. Support for it began to wane in Congress only after it seemed that the original peacekeeping mission of the marines was unattainable.

By Mr. Weinberger's analysis, such a shift was justified. He himself said in the speech that once the peacekeeping mission could "not be realized," Mr. Reagan "properly withdrew forces equipped only for peacekeeping."

It would seem that most things "depend," as a senior American diplomat commented after the speech. The guidelines offered by Mr. Weinberger were welcomed by an American military corps long frustrated by being asked to fight wars short of victory and by the twilight zone of diplomacy.

But even a number of military men said later in the week that they realized that what the Defense Secretary was doing was laying down warnings rather than formulating a new defense doctrine.



American troops landing in Grenada last year; Secretary Caspar W. Weinberger addressing the National Press Club last week.

Magnus/Abbas (Grenada); United Press International

## Panel Votes Against Washington on Nicaragua

# The United States Has a Bad Day in World Court

By STUART TAYLOR Jr.

WASHINGTON — Already a standard target of attacks in the United Nations General Assembly, the United States last week seemed to be on a collision course with another world forum, the International Court of Justice. Some legal experts see the conflict — over the Court's ruling that it has the power to judge Reagan Administration actions against Nicaragua — as the latest step in a gradual withering of the United States' commitment to the system of international institutions it helped set up after World War II. Administration officials, however, contend that they have operated effectively in these organizations.

The World Court's 15-to-1 decision to consider the Nicaraguan claim that United States support for military attacks against the Sandinistas has violated international law set the stage for a vote on whether to condemn the United States as an aggressor. Lawyers for the United States are pessimistic about the outcome.

The White House policy of "standing tall" has run afoul of the rest of the world's view of international law before. Washington was alone, for example, in vetoing U.N. Security Council resolutions in October 1983 deploring the United States invasion of Grenada and last April, against outside military intervention in Nicaragua.

The Administration has not decided whether to show up for the next round of the World Court at The Hague to defend its financing of rebels in Nicaragua, suspended some months ago by Congress, or what to do if the Court finds it illegal.

For now, the White House is pressing to have the aid restored while keeping its options open in the Court. One option is to boycott the proceedings and ignore any orders the Court issues. Another is to drag things out, hoping the case will go away through negotiated settlement of Central American conflicts or the overthrow of the Sandinistas. A third is to comply with the Court's orders. As a senior Administration official said last week, "it's an interesting historical juncture."

Nicaragua's representatives said United States defiance of the World Court would destroy Washington's claim to be a champion of the rule of law in world affairs — and invite comparisons to Iran's flouting of the Court's 1980 decision that condemned the holding of American diplomats as hostages. Some Administration officials stressed, on the other hand, that more than 110 of the world's 168 nations, including the Soviet Union, have never recognized the World Court's jurisdiction, and that no great power has ever allowed the Court to limit its military options.

In military matters, the United States does seem more prone than it once was to go it alone, a response, some say, to the world's leftward tilt. In the Cuban missile crisis of 1962, for example, the Kennedy Administration obtained an authorizing vote from the Organization of American States before putting a quarantine on Soviet arms shipments to Cuba. But the Reagan Administration has never asked the O.A.S., which is not as pro-United States as it once was, to endorse its complaint that Nicaragua is committing aggression against El Salvador.

On other fronts, the Administration is poised to

leave Unesco, which it has accused of mismanagement and catering to the political objectives of Communist and radical third world nations, at the end of next year. And there has been friction at the World Bank and other multilateral agencies over Washington's efforts to hold down loans for projects in developing countries.

Richard N. Gardner, a Columbia law professor who was Ambassador to Italy in the Carter Administration, criticized what he called the Administration's "tendency for unilateral action," and its isolation in world forums, even from traditional allies. "An Administration which claims to be hard-boiled in protecting the national interest has in fact been sacrificing the national interest by its failure to act effectively in international institutions," he said.

Aides to Jeane J. Kirkpatrick, the United States Ambassador to the United Nations, disputed this view. Mrs. Kirkpatrick's tough line, they contended, had won grudging respect. They also noted that the United States had increased contributions to United Nations agencies that they said do useful work, such as Unicef.

Mrs. Kirkpatrick has contrasted her approach of "taking the United Nations seriously" with the previous "habit of shrugging off whatever happened in the United Nations" and assuming "it doesn't matter, they're just letting off steam."

As for the World Court, Mrs. Kirkpatrick has said its judges, most of whom are from Soviet bloc and developing nations, were elected through a process "as nonpolitical as the General Assembly itself," the implication being that they are not neutral arbiters. Some in the Administration believe the United States should have boycotted the World Court case in the first place, and should now declare that national security policies are not subject to the Court's jurisdiction.

But if the United States does not appear at the Court and make public some evidence that the real aggressor in Central America is Nicaragua, Mr. Gardner said, "What the world concludes, of course, is that the United States hasn't got a very strong case."



# The World

## Some Terrorists Thwarted, Some Reach Targets

Secretary of State George P. Shultz's strategy for "active prevention" of terrorism seemed to produce results in Rome last week, but the worldwide threat was far from over. American embassies came under attack from leftist guerrillas in Lisbon and from drug traffickers in Bogotá, Colombia.

Italian police officials announced the arrests of seven men carrying Lebanese passports near Rome, where they appeared to be planning an attack on the United States Embassy. They had a map of the building showing supposed "weak points," Police Chief Marcello Monarca said. Leaflets seemed to link them to Islamic Holy War, which has taken responsibility for five embassy and barracks bombings in Beirut and Kuwait in the last 19 months that killed 360 people. Chief Monarca said an address found on an eighth man who was arrested carrying explosives in Zurich led to the suspects in Rome. Western news agencies in Beirut later received threats denouncing the Italian Government for "following the ways of American imperialism and desperately defending its devilish role."

The murder of a senior British diplomat in Bombay may also have had a Middle Eastern connection. According to calls received by news agencies, Percy Norris, the British Deputy High Commissioner, was shot by a Revolutionary Organization of Socialist Muslims, which also had claimed responsibility for killing a British official in Greece in March. London newspapers suggested that the killers hoped to force Britain to free three Arabs convicted of shooting Israel's Ambassador, Shlomo Argov, in London two years ago. In Bogotá, a woman was killed and six men — all Colombians — were wounded when a bomb exploded near the American Embassy. Cocaine smugglers had threatened reprisals if suspected traffickers were extradited to the United States. In Lisbon, leftist guerrillas claimed responsibility for four grenades tossed into the American Embassy compound; no one was hurt.



Italian policeman guarding the U.S. Embassy in Rome last week.

## Separatist Strife In Sri Lanka

Sri Lanka, a crowded island country off southeast India, has been periodically shaken by violence between the majority Sinhalese and extremists among the minority Tamils. Last week, the Government took unusual measures to ward off what it feared might be an invasion by Tamils from India in support of a campaign by fellow Tamils to set up a separate state in the northern part of the island.

President Junius Jayewardene's Government created a no man's land along the northeastern coast to protect it against the Indian Tamils who he said were planning to come in January. Sri Lanka suspects India of arming and training an invasion force, a charge India has denied.

A curfew is also in force after particularly aggressive attacks by local Tamil nationalist guerrillas in the past two weeks. They killed about 40 policemen in a bomb attack on a police station in the north and perhaps as many as 60 people in attacks on two prison farms where Sinhalese convicts and their families live. In the second operation, the state radio said 30 guerrillas died when Government troops counterattacked from helicopters.

## Talks Resume In El Salvador

Government officials and rebel

ferred to forgo immediate satisfaction of their demands for direct power-sharing. They put forth instead a "global peace offer" that would begin with measures to end human rights violations, end economic sabotage and "humanize" the war. But the Government criticized the proposals as designed to gain a tactical advantage rather than establish a basis for peace.

The rebels' second phase called for a cease-fire, territorial concessions to the forces on both sides and an end to United States and other foreign influence in El Salvador, including a withdrawal of American military advisers. Later on, the rebels want a new government of "national consensus," constitutional changes and a new army, all before elections would be held. The Government started at the other end, calling on the rebels to lay down their arms immediately and take part in elections, starting with voting for mayors and legislators in March.

President José Napoleón Duarte threatened to halt further talks if the rebels did not reconsider. In the meantime, he also had to deal with the shortcomings of Salvadoran justice. He ordered the army to dismiss Lieut. Isidro López Sibrán, who had been accused of organizing the 1981 killings of two United States labor advisers and the Salvadoran director of land redistribution. The Salvadoran Supreme Court halted proceedings against the lieutenant late last month in what was widely seen as indicative of the judicial system's inability to act against members of the security forces.

## Chile Applies 'A Heavy Hand'

As other Latin Americans turn to elected civilian rule, Chile's military regime appears increasingly isolated. Perhaps as a consequence, it has reacted in the past few weeks with increasing harshness to efforts by political, church and labor forces to oust President Augusto Pinochet and restore democracy. Washington was reported ready to apply pressure on both sides to compromise lest Chile become "another Nicaragua."

Last week, troops were out in force again in Santiago and other cities to undercut efforts by the opposition to defy a state of siege and stage a general strike. Urban transport was maintained by threatening bus drivers, news of the strike call was kept out of the press and off the air and a general atmosphere of intimidation, particularly in heavily patrolled working-class neighborhoods, did much to keep Chileans on the job. A loss of direction is beginning to be felt with the arrest or exile to remote areas of hundreds of middle-level political and labor leaders.

As an example of how authorities were trying to keep the lid on the opposition, foreigners who seek resident status were required to sign an oath to obey Chile's laws, in particular a Constitution that keeps General Pinochet in power until at least 1989. The likeliest targets were 600 foreign priests, who work among the poor and are among the general's strongest critics. His explanation for the crackdown: "The country asked me to apply a heavy hand, and that's what I did."

## Polish Leader Meets the Press

It is rare for a national leader to admit publicly that things are not what they should be. It is even rarer for the leader of a Communist country to hold a news conference. Gen. Wojciech Jaruzelski of Poland did both last week. Speaking to 150 foreign correspondents in Warsaw, he referred to the murder of the Rev. Jerzy Popiełuszko in October as a "heinous crime" that he said "has done a lot of harm to us."

A captain and two lieutenants in the Polish security forces have confessed to taking part in the kidnapping and killing of the pro-Solidarity priest. Last week, the Government newspaper *Zycie Warszawy* said the responsibility reached higher. Poland's Prosecutor General has accused a colonel, Adam Pietruszka, the paper said, of instigating the crime. He is a department head in the Interior Ministry.

A potential complication arose when another police colonel and an aide who were leading the investigation of Father Popiełuszko's death were killed in a highway accident. The Polish press agency, P.A.P., said their automobile had collided with a truck that was improperly passing them as they returned from duties connected with the investigation. A Government spokesman, denying there was anything mysterious about the crash, called it "just an ordinary accident."

As for Poland's battered economy, American economic sanctions have hurt, General Jaruzelski said, but he appeared in no hurry to submit to

## Last Week's Election Will End 11 Years of Military Rule

# Uruguay's New Leaders Inherit a Bad Cash Flow

By ALAN RIDING

MONTEVIDEO, Uruguay — As if to purge their memories of 11 years of heavy-handed military rule, Uruguayans marked last week's elections with a spontaneous carnival of dancing, singing and embracing. Rather than dwell on the past, they celebrated the recovery of hope.

The change had come with dizzying speed. Only in late August did the dictatorship confirm the date of the elections, lift press censorship and allow political parties to begin campaigning. In just three months, a country that used to be a democratic model for the rest of Latin America cheerfully returned to normalcy.

But like others who have recently switched from military to civilian rule, Uruguayans expect far more from democracy — and from the centrist Government of President-elect Julio María Sanguinetti that is due to take office March 1 — than it may be able to deliver.

Last week, factory workers, who earn \$50 per month and have seen real wages halved since 1969, spoke of their hopes for higher wages and more jobs. "The dictatorship is killing us with hunger," a young woman remarked as she waited to vote. "How can we live off what we earn? Things have to improve."

But the economy is caught in a crisis that defies easy solution. Gross domestic product has fallen by 20 percent in three years, unemployment stands at 15 percent and inflation is running at 50 percent annually. Uruguay also has a \$5.3 billion foreign debt which, for a country of three million inhabitants, is higher per capita than that of Brazil, the world's largest debtor.

Many problems are also structural. Earlier in this century, a Uruguay made prosperous by meat and wool exports founded a welfare state. But a decline set in during the late 1950's as successive governments struggled to maintain a huge bureaucracy and costly social benefits.

The economic stagnation and political frustration that followed set the stage for, first, the emergence of the leftist Tupamaro guerrillas in the late 1960's and, subsequently, as civilian governments floundered, the military takeover.

With few opportunities at home, some 300,000 Uruguayans — one-tenth of the population — are now living as "economic exiles." A walk through the streets of Montevideo

confirms the national profile of an aging population in need of welfare while youths seek jobs in neighboring Brazil and Argentina. One of every three Uruguayans is a pensioner.

The next Government will also have the problem of dismantling the repressive apparatus of the dictatorship. Unlike Argentina's armed forces, which left office last year discredited by their defeat in the Falkland war, Uruguay's mili-

tary structure is intact. "The Argentine military fought a war and lost," an American observer attending the elections said. "The Uruguayan military fought a war against the people and won."

The end of this dictatorship had therefore to be negotiated. And, as a result of a pact signed with the armed forces by Mr. Sanguinetti's Colorado Party and the left-leaning Broad Front (although not by the Blanco Party, which was protesting the jailing of its leader, Wilson Ferreira Aldunate), most of the generals who run the country today will remain in the High Command after March 1. With the voting out of the way, the military freed Mr. Ferreira last week.

There appears to be less thirst for revenge against the outgoing military here than existed after the return of democracy to Argentina, where nine former junta members are now facing trial. This reflects the less radical nature of

Uruguayans as well as the fact that, compared to Argentina, relatively few people "disappeared." According to human rights workers, about 90 prisoners died during torture, between 27 and 44 people "disappeared" here and 123 other Uruguayans vanished in Argentina. Thousands of Argentines are believed to have disappeared.

The main characteristic of Uruguay's dictatorship, however, was the number of political prisoners — close to 7,000 in 1975, probably the highest proportion of citizens jailed for political reasons in the world. "Uruguay did not have the most bloodthirsty regime, but it was the most totalitarian through its use of fear and terror to demobilize the population," said the Rev. Luis Pérez Aguirre, a Jesuit priest who runs the Peace and Justice Service.

A total of 487 political prisoners remain to be freed and Mr. Sanguinetti has promised an amnesty for all those jailed for their beliefs. Perhaps anxious not to offend the military, the President-elect has suggested that former Tupamaro guerrillas "who fought democracy" before 1973 should not benefit. But many Uruguayans believe an unrestricted amnesty is an essential step toward burying the past.

An Orwellian system of separating citizens into A, B and C categories, depending on their "democratic faith," was formally suspended in August, but it has left a complex legacy. Those defined as B and C were considered too dangerous for employment by the Government. Thousands of teachers and health workers thus lost their jobs. Many are now suing for reinstatement, but their jobs have long since been filled by A citizens.

A positive note is that all three major parties signed an agreement last month to work together to consolidate democracy. In his victory speech, Mr. Sanguinetti called on his opponents to join a Government of "national understanding." If they put national interests before party concerns, the new democracy should at least win a breathing space.



President-elect Julio María Sanguinetti; crowds celebrating the election in Montevideo, Uruguay.

## Rights Group Says a Third of the World's Nations Engage in Torture

# An Age-Old (but Still Common) Horror

By EDWARD SCHUMACHER

MADRID — His eyes still bleed. In September, the young leftist activist said, paramilitary police officers placed caps on his eyeballs and rhythmically tapped them with a metal hammer. His captors also prodded his tongue with live electric wires, put him through mock executions and held his head under water in a game they called "the submarine," he said. The prisoner was released several weeks ago after a judge and doctors intervened, corroborating much of his story. It happened not in some infamous dictatorship, but in democratic and generally enlightened Spain. The victim was a suspected Basque terrorist.

According to Amnesty International, which won the Nobel Prize in 1977 for keeping track of human rights violations, one-third of the world's countries have tortured or cruelly treated prisoners in the last four years. The accused violators, almost all of which deny the allegations, range across the political spectrum from the Soviet Union to Chile, from Uganda to Vietnam.

Some countries have added new methods to the ancient techniques of beatings, dripping water, stretching on the rack, and hanging prisoners by their arms, feet or other extremities. This makes

torture harder to detect. Doctors and medical technicians in the interrogation centers of Chile's secret police reportedly monitor victims to insure that just the right amount of electric shock is administered without stopping the heart or leaving skin marks. The Chilean Medical Society is investigating. The Syrians have perfected the "black slave," an electrical apparatus that inserts a heated metal skewer into the victim's body, according to survivors. In Guatemala, torture victims have reported nearly suffocating when inner tubes stuffed with quicklime were pulled over their heads. Prisoners in Rwanda have been held for more than a year in "cachets noirs," cells devoid of light. The Russians have abused prisoners of conscience in mental hospitals, forcibly administering pain-causing and disorienting drugs, Amnesty has reported.

Graham Greene once wrote that only the lower class was liable to torture in Latin America, but today, distinctions of class, age and sex have broken down everywhere. Children have reportedly been tortured in El Salvador. In Iran, children are forced to witness the torture of their mothers, according to Amnesty. Women in many countries have been especially brutalized. "The horror. Oh, the horror," said Ernesto Sabato, a novelist and head of an official Argentine commission investigating the disappearances of

thousands of people under military dictatorship in the 1970's. He has had to review hundreds of macabre torture tales.

Most torturing is done secretly, often by a grim subclass of torturers who are themselves sometimes victims of a sort. They are often fanatical believers or psychologically deranged, specially trained, and motivated by privileges and brainwashing and, eventually, by fear of retribution, according to the few available studies. In Argentina, some former torturers have gone to the Sabato Commission seeking absolution. Ideology becomes meaningless, some have testified, as violence takes hold like a disease and becomes an end in itself. This may partly explain why torture, once started by police forces, often becomes institutionalized and difficult for governments to control. In Spain, for example, nine years after the death of Francisco Franco, torture is apparently rare. But the Socialist Government of Felipe González has yet to totally end the dictator's police practices.

## The Terrorist Rationale

Torture as a method of intimidation, punishment or interrogation may be as ancient as recorded civilization. But more recently, urban terrorism such as the French experienced in Algiers in the 1950's has sometimes given torture a measure of popular support; People justify it as necessary to combat an elusive enemy. Most Argentines in the 1970's closed their ears to the screams emanating from more than 200 torture cells, many in residential neighborhoods. An unintended effect was to undermine respect for law. Also, the methods often did not work: Investigators for the Sabato Commission found that much of the evidence obtained by torture was wrong, offered by victims desperate to end the ordeal. Medical investigators elsewhere have found that torture victims often hallucinate.

Many human rights activists are urging governments to vote for a United Nations convention that would outlaw all torture and police abuses. But while the convention would likely have moral weight, its practical effects might be limited. The United Nations and regional organizations such as the Organization of African Unity already have human rights committees, but these are often political, rather than human rights, battlegrounds. Countries that are active members of the third world majority (Cuba, for example) are rarely called upon to answer charges of human rights violations in these committees.

The most effective weapon against torture has been pressure at home, notably by governments and courts willing to crack down on security forces. Under Brazil's military Government, torture largely ended in the 1970's after pressure by that country's powerful Catholic Church. Public outcry in Britain and finally, complaints by po-





## Shooting on the DMZ Stalled Talks on Economic Cooperation Last Week

## Looking Over the Shoulder Of North and South Korea

By CLYDE HABERMAN

SEOUL, South Korea — Neither North Korea nor South Korea likes to admit it, but the fate of their divided peninsula continues to be shaped by the big powers, directly and otherwise, as events last week made clear. A young Russian, Vasily Yakovlevich Matuzok, had defected to the West on Nov. 23, choosing one of the world's more dangerous routes.

While on a tour of Panmunjom in the inaptly named, heavily armed Korean demilitarized zone, Mr. Matuzok ran suddenly from the North Korean sector to the South. North Korean guards, violating the bundle of rules in effect at the Panmunjom truce village, chased him deep into southern territory, some firing automatic rifles. In the ensuing gun battle, the defector escaped unharmful but three North Korean guards and one South Korean were killed and an American soldier assigned to the United Nations Command was wounded.

Not since the end of the Korean War in 1953 had there been an exchange of gunfire at Panmunjom, and the incident came at arguably the worst possible time. In recent months, the Koreans have begun to deal with each other more amicably than at any time in more than a decade. The shootout threatened to undo this progress, abruptly throwing both sides back into their familiar pattern of acrimony.

Last week, North Korea apparently considered a cooling-off period advisable. It canceled talks scheduled for this Wednesday on trade and joint economic projects. But neither Korea appeared ready to scuttle the discussions entirely; the North suggested only a delay until sometime in 1985, and the South quickly proposed Jan. 17.

The American presence in South Korea may have helped make an eventual resolution more likely. Both South Korean and United States soldiers make up the United Nations Command, but North Korean officials directed their most bitter denunciations at the United States, accusing Washington of having provoked the incident by somehow forcing Mr. Matuzok into southern territory. The charges were dismissed by the Americans, who produced photographs and tapes indicating that North Korean soldiers had fired first and that the young Russian had fled southward voluntarily.

Still, the Americans seemed willing to absorb the North's verbal attacks, which they took to mean that

Pyongyang did not want to harshly condemn the South and thus risk inflicting lasting damage on the recently improved relations. The United States offered a convenient surrogate punching bag. The irony of the situation was obvious. For three decades, North Korea has demanded the withdrawal of United States troops — now 40,000 strong — from South Korean territory. Yet here was a case in which the North found it handy to have the Americans present.

The big powers also have exerted influence in more explicit ways. Last week, Deng Xiaoping and other senior Chinese leaders met with North Korea's President, Kim Il Sung, in Peking. Wu Xingtang, a spokesman for China's Communist Party Central Committee, said afterward that China wanted to see tension between the two Koreas reduced. Analysts here see China's hand in Pyongyang's relatively amicable mood. The analysts say China was appalled by last year's bombing in Burma that killed 17 visiting South Koreans and which Burmese investigators blamed on North Korea.

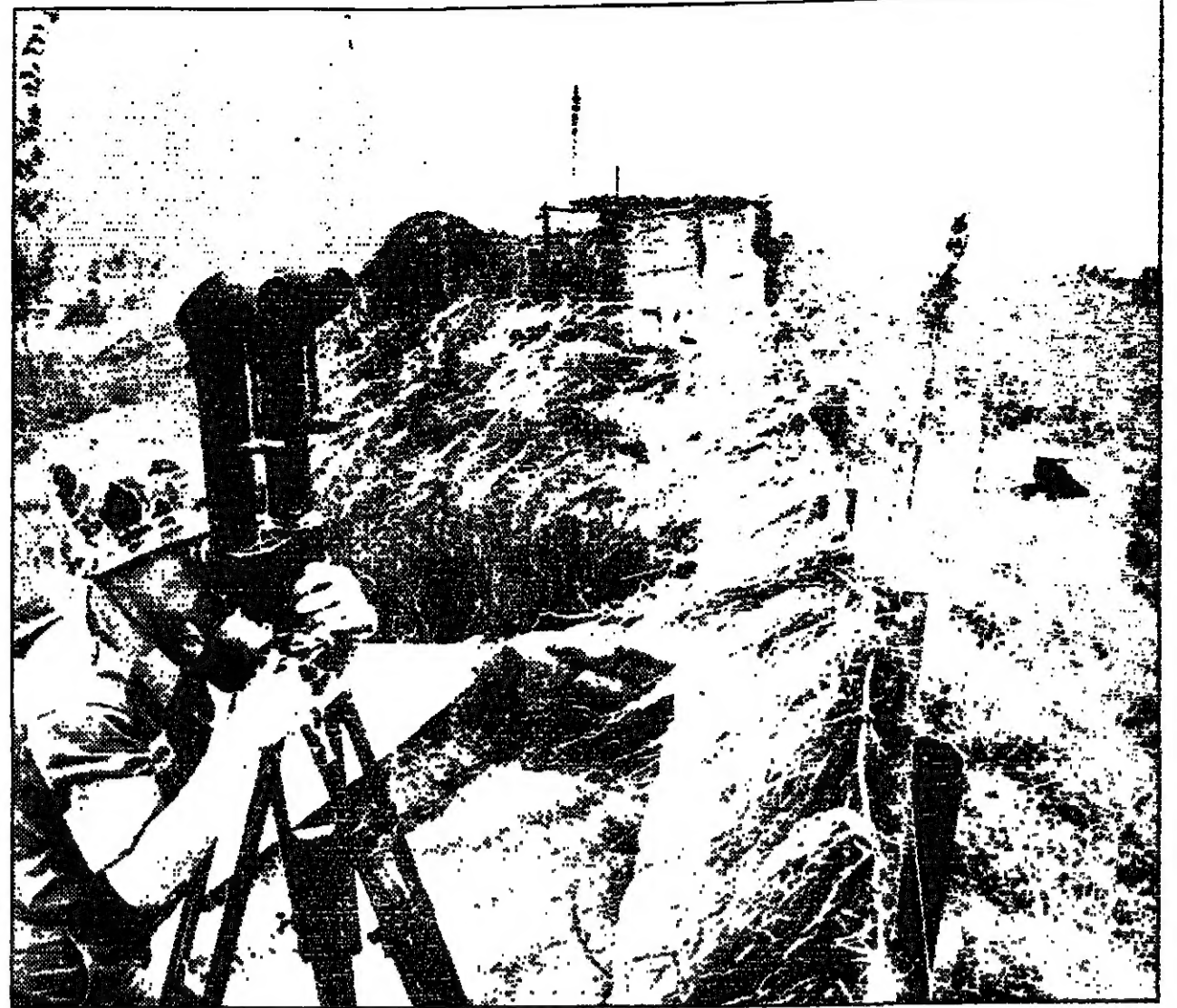
China may consider it unsafe to let the North remain a diplomatic outcast. It has steadily urged Pyongyang to show restraint. As a result, when North Korea announced in September that it was open to foreign investment, departing from its policy of self-reliance, diplomats saw the opening as an apparent imitation of China's own flirtation with capitalism.

## Tracking the U.S. Role

For its part, the United States is believed to have encouraged South Korea to show at least some interest in North Korea's overtures. In fact, that may not have been necessary. Both the South and North long have been locked in duels of oneupmanship: It is hard to imagine Seoul allowing Pyongyang to outdo it even in peace gestures. Nevertheless, many Government hard-liners in Seoul argued against participating in activities such as the now-delayed economic talks, for fear that any accommodation with the North would be taken as a sign of weakness. However, President Chun Doo Hwan decided to proceed to the negotiating table.

The United States role in persuading Mr. Chun to do so is hard to determine. American officials, uncomfortable with suggestions that South Korea is a client country, insisted that Seoul decides things for itself.

Other diplomats were not so sure. Their doubts extended to domestic affairs, notably human rights. Two



South Korean soldier peering across the demilitarized zone.

Contact: David Burnett

years ago, the Americans helped persuade President Chun to free the imprisoned opposition leader, Kim Dae Jung, so he could travel to the United States, ostensibly for medical treatment. Now Mr. Kim says he is coming home early next year. A widely held assumption is that, one way or another, the Americans will seek to make certain nothing untoward happens to him.

A third powerful outsider on the Korean peninsula, the Soviet Union, has not been conspicuous in recent years, but it is still a force to be reckoned with for both

Koreas. That was evident after Mr. Matuzok's sprint at Panmunjom. South Korea, in particular, worried that accepting the Soviet defector might offend Moscow. It quickly said that he would be turned over to the United Nations as a refugee, presumably for travel later to the United States. The concern was not necessarily for Mr. Matuzok's well-being. Rather, the idea was to avoid giving the Russians more reasons than they may already have to stay away from the summer Olympics to be held in Seoul in 1988.

## Assad Got Support From François Mitterrand, Defiance From Yasir Arafat Last Week

## Some Gains and Losses for Syria's Leadership Ambitions

By RICHARD BERNSTEIN

DAMASCUS, Syria — Only a few months ago, the Western countries and Syria were backing different sides in the conflict that raged in Lebanon. Syria was seen as striving to gain paramount influence and prevent genuine independence for that troubled country. But last week, Syria got direct word from one Western leader that its influence in Lebanon was acceptable.

During a three-day visit to Damascus, French President François Mitterrand welcomed Syrian efforts to bring about a reconciliation of Lebanon's quarreling factions. He contended that Syria and France wanted the same things for Lebanon — independence and territorial integrity — and he called for Israeli withdrawal from the south. He said that Syria and Lebanon "remained deep in the same family," implying that with the West largely out of the Lebanese picture, it was Syria's right to step in.

Mr. Mitterrand's visit, moreover, came at a time when, according to Western diplomats and American officials, the United States appears to have resigned itself to a major Syrian role in Lebanon in the hope that such a role will not be inimical to Western goals. Three weeks ago, they noted, Assistant Secretary of State Richard Murphy had four hours of talks with Syrian President Hafez al-Assad as part of a renewed American effort to keep open lines of communication. Damascus has sometimes barred visits by American negotiators.

For his part, Mr. Assad indicated last week that Syria would cooperate in trying to get an Israeli withdrawal and in helping to extend the authority of the Lebanese Government. Lebanon and Israel are trying to negotiate a new withdrawal agreement, with each side blaming the other for the slow pace of the talks and threatening to walk out. The Lebanese hope is that once the Israelis leave, the Syrians will follow.

At a joint press conference with Mr. Mitterrand, Mr. Assad vaunted his relations with Lebanese President Amin Gemayel, to whom he said he was offering "fraternal assistance." The assistance has been given with conditions, such as Mr. Gemayel's abrogation of Lebanon's May 17, 1983 security agreement with Israel and an end to official Lebanese demands that Syria also with-

draw. Syria did help to form the fragile coalition of hitherto warring factions that governs in Beirut. Even as Mr. Mitterrand was talking in Damascus last week, Mr. Gemayel's Government, with apparent Syrian approval, sent its army into portions of Beirut previously occupied by private militias.

But on the Israeli withdrawal, Mr. Assad continued to refuse to give explicit guarantees of Israel's security on its northern frontier. Western diplomats in Damascus said they did not expect Syria to give formal assurances that it would prevent the Palestine Liberation Organization from moving back into the areas evacuated by Israel, but they nevertheless thought that Syria would in fact act to do just that. Mr. Assad backed a Lebanese request to have the border area policed in part by United Nations forces in which, he said, the French would be invited to increase the size of their contingent.

## Isolation a Problem

For the moment, it seems that Syria has decided that a relatively moderate role in Lebanon and a return to communication with the West is one way to help establish itself as the leader of the Arab world. Syria is to some extent isolated in that world these days, with troubled and overtly hostile relations with Iraq, Jordan and Egypt and completely broken relations with the more moderate portion of the Palestine Liberation Organization under Yasir Arafat. Syria's leadership ambitions were set back somewhat last week when Mr. Arafat succeeded in convening a meeting of the Palestine National Council in Amman and in getting himself renamed chairman. Pro-Syrian factions stayed away.

The Palestinian leader and Jordan's King Hussein have held discussions from time to time on the possibility of negotiating with Israel. The council authorized Mr. Arafat to pursue the search for a joint negotiating position with Hussein, something that the Palestinian leader has so far been reluctant to agree to. Mr. Assad's leadership goals involve refusing any move toward genuine acceptance of Israel. In that sense, Syria may seem to be trying to effect a de facto peace in southern Lebanon, but it will certainly use its more widely accepted influence in the country to prevent a return by the Lebanese authorities to any sort of open relations with the Israelis.



French President François Mitterrand (left) and Syrian President Hafez al-Assad in Damascus last week.

Gamma-Liaison/Daniel Simon

## A Proposed Crackdown on Cheating Led to a Strike of Storekeepers

## Italians Cook the Books and Tax Collectors Simmer

By E. J. DIONNE Jr.

ROME — It was a cause that all Italian small shopkeepers could believe in — opposing the Government's efforts to get them to start paying taxes, which seemed an outrageous notion in a land known for its mistrust of the state. So one day in October, tranquility descended on central Rome, giving the usually rambunctious place the feeling of a piazza in a country town at lunch time. Shop owners pulled their shutters down and joined in a nationwide strike. Immediately, there was talk of a Government crisis.

The strike protested a proposal to raise \$5.5 billion in tax revenues and to close a large budget deficit by imposing new rules designed to make evasion more difficult for shopkeepers. Last year, Finance Minister Bruno Visentini noted, one million shopkeepers declared average incomes of about \$3,600. Their shop assistants declared incomes of about \$5,700, 60 percent higher than the boss. Something was wrong, "absolutely disgusting," Mr. Visentini said. His attempt to crack down threatens one of Italy's hallowed traditions. It also raises anew an issue that economists, business-



Bruno Visentini

United Press International

men and workers have debated for years: How large is Italy's "black" or illegal economy, and what should be done about it?

The term "black economy" is often shunned here. In a land where consciousness of the Mafia is high, it has a sinister sound. In fact, the law-breaking extends far more broadly, including shopkeepers and restaurant owners as well as small businesses in fields such as leather and clothing.

For the Government, the question is complicated by the political power of the shopkeepers and independent professionals but also by the black economy's role in providing jobs at a time of economic difficulty.

"The black economy helps a lot in creating low-paid jobs which are desired by people who prefer such jobs to unemployment," said Elio Lancieri, an economist for the Banco Nazionale di Lavoro.

Mr. Lancieri estimates that the underground economy accounts for 10 percent of Italy's gross domestic product, reaching 20 percent in some sectors such as shoe manufacturing. The key is the size of a business. "You can be sure that Fiat won't evade taxes," Mr. Lancieri said, referring to the giant automobile maker. Smaller businesses, especially family businesses, can and do. And

larger businesses that cannot evade taxes themselves often farm out work to smaller, low-wage companies that do so.

By some accounts, the underground economy is Italy's individualistic answer to supply side economics: Tax evasion reduces start-up costs for new businesses. "It helps new initiatives, it helps the dynamics of the economy," Mr. Lancieri said. "You start a new enterprise, and you evade as much as you can in the early years, and so you can work on a smaller profit margin. If the enterprise is successful, you can become more honest and start paying taxes. If you fail, the enterprise just disappears." A leather goods manufacturer in Naples acknowledged that he had followed this formula successfully and thus could no longer easily evade taxes. "I export too much, and too much of what I do ends up on paper," he said.

## A Vicious Cycle

The social and political costs are high, however, creating a level of cynicism that many Italians, including Mr. Visentini, believe is dangerous. "A businessman with a small company came in here, showed me a balance sheet and said, 'Don't pay any attention to those numbers, they're only for tax purposes,'" said Thomas S. Fallows, a loan officer for the Chase Manhattan Bank in Rome. "You assume that the balance sheets represent about half the real income." He told of an English company that reportedly declared its entire income for the

first year of its Italian operations. "The company's Italian accountants said, 'No, no, the Government will assume that whatever you tell them, it's only about half of what you earn,'" Mr. Fallows said. Widespread tax evasion has created a kind of vicious cycle, Mr. Lancieri said. "The state has been increasing taxes because it knew that people were evading, and so people evaded more because of the high rates."

Workers who are subject to withholding taxes can shelter virtually none of their income. Studies show that such workers pay higher taxes than self-employed businessmen and professionals. "The effective tax burden for a worker whose entire salary is on the computer is outrageous," said Mr. Fallows. He added that the lack of income tax collection also raised sales taxes and gasoline and other consumption taxes that strike directly at lower-income workers. This is why Italian trade unions strongly support Mr. Visentini's tax proposal. Evasion has become an issue involving something close to class warfare. Italy's labor federations countered the shopkeepers strike with a strike of their own on Nov. 21.

The Government has indicated that it will continue to press for the changes amid continuing signs of a split in official ranks. Pietro Longo, the secretary of the Social Democrats, a coalition partner in the Government but an ally of the shopkeepers, was quoted by the Rome daily *Il Messaggero* yesterday as accusing Mr. Visentini of "unacceptable arrogance." Such are the hazards in Italy for those who try to get people to pay their taxes.



# Management Software for the Boss

A handful of new companies are pushing computer programs that help executives make decisions.

By THOMAS C. HAYES

LOS ANGELES — Word processing, spreadsheet analysis, and other computer programs for the office first became available, managers loudly applauded their arrival — and promptly delegated their use to staff members and secretaries. That has not changed much over the years. A large number of executives still prefer to keep their distance from a personal computer keyboard, and their coolness limits sales of the machines.

In the last several months, though, new software has surfaced that takes a shot at overcoming the managerial reluctance to step personally into the computer age. Many of these new programs are "knowledge-based" — so called because they permit an executive to tap into compendiums of rules and suggestions for how to handle specific situations, much in the way that some of the popular "how to" books might do. They deal with negotiating skills, training, strategic planning and other areas that managers cannot delegate. And they have been written for desktop computers.

"These programs get at the essence of what a manager does," said Jack B. Levine, president of Thoughtware Inc., a new company in Coconut Grove, Fla., that offers 14 managerial programs. "The benefits are not ephemeral. They are real, and

that should give people the motivation to use them."

Mr. Levine is hardly a disinterested observer, of course, and it is hard to gauge how well the new software is selling. Future Computing Inc., a market research concern that covers the personal computer industry, has just begun to track managerial programs as a separate category. Software distributors are not forthcoming with either current figures or projections. And most of the companies selling the programs — the leaders are Thoughtware, Human Edge Software, Lightyear, Analytica, and Decision Support Software — are new and privately held, so analysts do not follow their fortunes.

But the activity at the Human Edge and Thoughtware booths at the sprawling Comdex personal computer trade show in Las Vegas last month showed that managerial software certainly is piquing interest. Browsers seemed to be able to learn how to use the programs within 20 minutes, and many were impressed enough to buy. Human Edge said it booked nearly \$500,000 in sales at the show alone, while Thoughtware claimed that its bookings from Comdex topped \$1 million.

A more recent informal check of the five leaders in the fledgling field indicated that sales of the new type of software will approach \$25 million this year. The companies together projected combined sales of nearly \$60 million in 1985. Thoughtware alone is forecasting sales of \$20 million in 1985, up from about \$8 million this year. The company's Mr. Levine maintains that many of the programs can obviate the need for off-site management training programs or outside consultants, and that once businessmen discover this, the market for all types of managerial software will explode to \$1 billion annually.

But many computer experts say that a major drawback with much of the managerial software on the market today is that users cannot ask the program how it reached its conclusions, and thus can neither make an



James H. Johnson, president of Human Edge Software, and a read-out segment of a program (inset).

independent evaluation of the computer's suggestions nor replicate the process on their own.

For example, Human Edge's Ex-

pert-Ease program incorporates data about people who have been successful at their jobs, and then extrapolates a pattern of rules for how they

# The Economy

operate. For instance, a bank lending officer may describe a series of profitable loans made over the years. The program may notice that he always turned away business in Ohio, and highlight that as a rule for a good loan officer.

But the program does not explain why this particular loan officer has done well by avoiding Ohio. And since there are undoubtedly any number of successful loan officers operating in that state, the information may not be very useful without the explanation. But Donald Michie, a researcher in artificial intelligence who developed Expert-Ease, said he already is working on advanced versions that will be able to carry on "discussions" with users within a few years.

Many computer experts project that software capable of demonstrating its reasoning power — in other words, programs that truly represent artificial intelligence — will be available by the end of the decade. And, they say, managers are likely to snap them up. Such interactive managerial software "is hardly a fad," said Craig C. Lundberg, a management professor at the University of Southern California. "These programs have made a jump-shift to the point where users are not just responsive but can create their own designs. What we are seeing is not *au courant* yet, but it will be."

The concept of knowledge-based managerial software is not new, but until recently these programs have been limited to large mainframe computers. Most big companies have had mainframes for years, and enterprising programmers, working with in-house strategic and financial planners as well as human resource executives, have often written programs that ask the computer to use historical corporate data to make recommendations for current decisions. For example, a growing number of huge companies are feeding executive résumés into their computers, and using programs that will kick out the names of employees — often in remote, forgotten locations of the company — who have the skills and qualifications required for positions that have opened up at other divisions.

But until recently, most such programs were homegrown, and utilized only the data built up by a particular company. The new breed of managerial programs uses data bases that incorporate the knowledge and recommendations of a host of experts in various fields. They are designed for PCs and they are relatively inexpensive, ranging from about \$250 to \$700. Thus, they are within reach of the small-business man who lacks the resources to develop such programs independently.

For example, Human Edge has five programs that sell between \$50 and \$250 each, and draw extensively from published literature in psychology dealing with the relationships of managers and their staffs, sales representatives and customers, and people engaged in negotiations. "With all the research that has been done for years, there is no reason why more people can't get on the game," said James H. Johnson, Human Edge's president.

Managers using Human Edge's programs, which carry such names as the Negotiating Edge, the Sales Edge, and the Management Edge, are asked to plug in data about themselves and the people they will be dealing with. The program comes back with suggestions on how the manager can get the upper hand in specific situations with these people.

For example, someone using Negotiating Edge would be asked to agree or disagree with more than 50

statements. A few samples: "Fair play is a losing strategy," "I would rather travel than have a desk job" and "Others on the job count on me to stir up some action."

Next, the user describes the person with whom he or she is about to negotiate. To do this, the user agrees or disagrees with each of more than 40 adjectives such as manipulative, empathetic, precise and double-dealing.

Lastly, there are a few questions about the circumstances of the meeting, such as whether others will be present, how much time will be available and whether the two main players will ever bargain with each other again.

After the data is entered, the program generates a 2,500-word character

*The technology is new, but some programs should fit right in. They send memos.*

ter analysis of the person with whom the manager will negotiate and it suggests ways in which the user can get the best of the meeting.

One of Human Edge's customers, Joanne Berger, a Ph.D. psychologist and owner of a psychological testing service in Dallas, used a program recently to seek insights into dealing with an adversary in a civil suit. She declined to disclose what her personal computer told her, or even what the suit was about, but she does say she wound up with a nice psychological advantage in court, although the suit is still undecided. "This program is incredibly well put together," she said.

In any case, the programs appear to be catching on. Such big companies as American Can, Sperry Univac, and Tymshare, a unit of the McDonnell Douglas Corporation, said they are Human Edge customers. For example, Jack Hildner, vice president and general manager of American Can's beverage packing division, "has bought several programs for use mainly by his sales staff and labor relations specialists. One, the Management Edge, he uses himself. He said that many of the insights the program provides are 'intuitively obvious' to somebody who has been managing people for several years." But it also delivers "some different ways of looking at problems that you might not have considered before," he said.

Human Edge is the most psychologically oriented of the new software houses. Its chairman and principal founder is Ronald Dozoretz, a psychiatrist in Norfolk, Va., who put up \$700,000 of the seed money. Mr. Johnson, the president, is a one-time salesman for the International Business Machines Corporation and a former psychology professor at the Illinois Institute of Technology. He put up \$300,000. The Lang Capital Corporation, a venture capital company, provided \$1.5 million for research on new programs. Human Edge is projecting \$5 million in sales this year, and says it will triple that amount next year.

Most of the other new managerial software companies are focusing more on programs that manipulate numbers and statistics to help tactics for carrying out strategic plans. Not surprisingly, their founders are generally computer experts and businessmen.

# High Returns From a Varied Portfolio

Westwood's Susan Byrne has outperformed the market this year by rejecting the trend toward specialization.

By ANISE C. WALLACE

THIS past year has been a tough one for many portfolio managers at the small money management shops that have sprouted on the investment scene for the past five years. Many are performing poorly and some are finding it a lot tougher to win new pension clients.

But one portfolio manager, Susan M. Byrne, president of the Westwood Management Corporation, has been enjoying a particularly satisfying year. Her accounts are beating the stock market averages by a wide margin. And the money from new clients has almost doubled the size of her assets under management.

Before starting her New York-based firm in April 1983, Miss Byrne was assistant treasurer of the G.A.F. Corporation. When she left the company, executives were so pleased with the job she had done that they hired her to manage all of G.A.F.'s equity retirement assets. This year Texas Instruments and Georgia Pacific also hired her.

Unlike many money managers who in the last five years became increasingly specialized — focusing on such specific investment vehicles as high-yielding stocks and nothing else — Miss Byrne has distinguished herself by buying a wide range of investments. "I'm an old-fashioned, 'use-what-ever-you-can' manager," said the 38-year-old portfolio manager.



Susan Byrne, president of Westwood

The approach has served her clients well. Through the end of 1983, her accounts had a compound annual return of 28.2 percent, higher than the 17.3 percent annual return of the Standard & Poor's 500-stock index.

One reason Miss Byrne's accounts are up 10.3 percent for the 10 months of this year — compared with the 4.2 percent rise of the S.&P. index for the same period — was her heavy commitment to long-term bonds earlier this year.

Established growth companies such as I.B.M. and General Electric are included, as well as companies that will benefit from lower interest rates, including Household International, the Torchmark

Corporation, the Dreyfus Corporation and Phibro-Salomon.

Other investors today, Miss Byrne is concerned about the effects of tax reform on the stock market. "What I have begun to believe is that we are going to have a flat tax," she said. In fact, Miss Byrne believes that the stock market has been discounting tax reform throughout the year. "When you look back at any trend, the market was discounting it," she said.

High-yielding stocks such as electric utilities and the Bell operating companies have been some of the best performers during 1984, she pointed out. And she believes this will continue if Washington approves some version of tax simplification. Stocks with a high dividend will become more attractive when individual tax rates are slashed, she said, because "the after-tax return on coupons and dividends will be more attractive." In light of this, Miss Byrne plans to increase her positions in what she calls these "total return" stocks. Among those she now owns are Texaco Inc., Allegheny Power Systems and the Nynex Corporation.

Companies involved in providing services should benefit from tax reduction, she added. Most of these companies paid a full tax rate now and will automatically feel the benefit of a reduction in the corporate tax rate. Among these service companies, she said, are stock brokerage companies, advertising agencies, retailers and food companies. "They will have a real shot in the arm," she said.

Stocks that she, and other investors, believe will be hurt by the tax change are the "smokestack" industrial companies already suffering. Because they are not paying taxes at the high end, any reduction in their tax rate will not be felt. And the elimination of the investment tax credit and depreciation allowance will also hurt these companies that invest heavily in capital and equipment, she said.

The next six to nine months will be a difficult time, Miss Byrne believes. Some action must be taken to reduce the deficit and she thinks that the Administration and Congress have only a short time to come to some sort of an agreement before politics takes over.

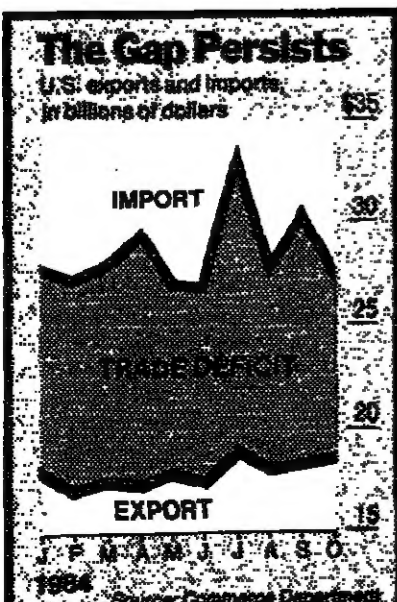
## WEEK IN BUSINESS

# Skepticism Greeted New Tax Plan

The tax revision plan was greeted with much skepticism, trepidation and uncertainty by members of Congress and special interest groups. President Reagan, who had ordered the study from the Treasury Department, immediately distanced himself from the plan. According to Treasury officials, most companies would pay more taxes — about 25 percent more on the average — but 56 percent of individuals would pay less.

The proposal calls for a reduction in the number of tax brackets and the maximum tax rates for businesses and individuals and elimination of some loopholes and deductions used by millions of taxpayers and corporations. While noting that the plan has little chance of passage in its current form, analysts say many of the provisions could eventually become law.

Imports still exceed exports, and although the gap narrowed a little in October, the merchandise trade deficit remains at a record high. At more than \$100 billion for the year so far, it may be double that of last year. In October, machinery and farm goods exports increased, and imports of manufactured goods decreased, but



posed slashing Federal spending by \$100 billion in 1985, mainly through cuts in domestic programs. That plan, called "Draconian" by some, does not envision cuts in Social Security, but some Medicare benefits would be cut. In addition, President Reagan is planning to cut some

economic indicators fell seven-tenths of 1 percent in October, its third decline in five months and a disappointment for those hoping for a pick-up in growth. The index usually foretells what other indicators will do in the coming months, but analysts remained hopeful that October's figures were skewed by the strike at G.M. and other factors.

Retailers remain grumpy as the Christmas shopping season gets into full swing. For November, the big stores reported only modest gains, in large part, they say, because warm weather has prevented shoppers from getting in the holiday mood. Analysts note that rampant discounting is likely to keep store profits well below record levels.

The prime rate leaptfrogged down again in two steps that first saw the big banks settle on an 11½ percent rate. Then some, led by Chase Manhattan, dropped the rate to 11¼ percent. Analysts predict the prime will go even lower soon; just two months ago, it stood at 13 percent.

Rates in the credit markets increased slightly despite the drop in

Stocks continued to slide, with the Dow Jones industrial average posting only one gain in the week amid worries about interest rates and the new tax plan. The average ended at 1,188.94, down 31.36 for the week.

Texttron bid \$47 a share, or \$1.3 billion, for Avco, the big military contractor. Texttron last month rejected an unsolicited bid from Chicago Pacific. Avco has warded off several suitors, most recently a group headed by the investor Irwin Jacobs that holds a 12.2 percent stake.

I.B.M. ordered a large number of data storage devices from Storage Technology, one of its chief rivals. Storage Technology recently filed under Chapter 11 of the bankruptcy laws because it could not compete effectively with I.B.M.

Steel imports will be barred from Europe because the Common Market and the United States could not agree on a way to curb them. Imports will be limited to 5.9 percent of the domestic market beginning Jan. 1. The Europeans are expected to retaliate.

Torres will write off \$284 million in

## The New York Stock Exchange

### MOST ACTIVE STOCKS

WEEK ENDED NOVEMBER 30, 1984

(Consolidated)

Company	Sales	Last	Net Chng
Avco Cp	6,138,000	47	+ 6%
Int Harv	5,790,200	7%	- %
IBM	5,146,700	121%	- %
Phil Pat	3,781,700	43%	+ 1%
Gen El	3,727,800	55%	- 1%
Dow Ch	3,718,800	28%	- %
AT&T	3,700,800	18%	- %
Schlmb	3,462,200	36%	- 2%
Mobil	3,419,900	26%	- %
Exxon	3,390,800	43%	- %
Es Kod	3,066,100	70%	- 2%
Unocal	3,027,200	38%	- 2%
ITT Cp	2,964,200	26%	- %
AMR	2,938,100	32%	- 1
Chryslr	2,771,100	27%	- %

### MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
789	1,198	2,248	123	118
Prev. Week	786	2,218	76	96

### VOLUME

(4 P.M. New York Close)

Total Sales	Same Per. 1983
411,741,530	488,736,250

### WEEK'S MARKET AVERAGES

Advances	Declines	Total Issues	New Highs	New Lows
261	499	902	25	110

## Standard & Poor's

WEEK ENDED NOVEMBER 30, 1984

(Consolidated)

Company	Sales	Last	Net Chng
400 Indust	187.0	182.2	-4.14
20 Transp	139.1	135.3	-1.88
40 Util	74.6	73.7	-0.32
16 Util	148.2	143.7	-0.41
600 Stocks	168.9	163.5	-3.34

## The American Stock Exchange

WEEK ENDED NOV. 30, 1984

(Consolidated)

Company	Sales	Last	Net Chng
BAT	3,133,300	13/16	+ %
TIE	1,858,300	6	- %
DomeP	1,220,700	1-15/16	...
ImpCo	1,005,100	2-1/16	+1/16
PrentH	937,500	70	- %
Heizer	786,800	8	- %
WangB	753,400	26	- 1%
PeitLw	616,900	4	+ %
Ultmte	514,800	14%	- %
IntBkt	433,100	4	- %

### MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
261	499	902	25	110
Prev. Week	412	891	16	82



# The New York Times

Founded in 1857

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## What Reform? What Freeze?

Baseball fans don't predict the World Series on the basis of spring training, and it's no smarter to anticipate the outlook for the Federal Government next year on the basis of what the President and Congress said last week. There was plenty of talk about budget rigor and tax virtue, but it's more promises than promises.

Remember the budget deficit that the Administration minimized during the campaign? Its own new projections say it will be 20 percent larger than anticipated. The economy, meanwhile, is visibly softening, probably meaning no help for budget-balancing from growth. So the problem remains. The Problem, not affected and not even addressed by the portentous events of the week.

The Problem: The latest official forecast for the budget deficit in fiscal 1985, which runs through next September, is a record \$206 billion, with more of the same expected in the following years. Even these figures could become more frightening; they rest on a shaky Administration assumption that the economy will soon start to grow again, and faster than most forecasters expect.

President Reagan clings to two ideas on which he campaigned so fervently. He believes he can eliminate or reduce the deficit with more spending cuts and without any increase in taxes. The latest

Administration device is a spending "freeze." But that's not a device, only an empty slogan. What it says is, We can't make up our minds what to do, so let's just put a lid on everything. But what "freeze"? The plan includes no lid on defense, Social Security and interest payments. They'd go on rising, forcing deep offsetting cuts elsewhere. There's little chance that Congress will buy all the cuts the President wants; so where is all the vaunted saving on the spending side?

On taxes, the Administration talks of radically simplifying the whole system — to lower rates and thin out deductions — but not to raise another penny in revenues. Reform is long overdue and the Treasury's plan includes some worthy ideas. But a "revenue-neutral" plan pays off no debt, even if enactment were likely. To judge from hostile reaction from everyone affected by the elimination of precious deductions, it does not seem likely.

At some point, Mr. Reagan will have to face up to the need for defense cuts and tax increases, whether or not the tax code is reformed. The uncertain predictions for the economy next year and the shadow of the midterm elections the year after argue strongly for facing those realities sooner rather than later.

## December 2, 1954

Two days before, the Senate heard stern words from the man Joe McCarthy ridiculed as Senator Halfbright. J. William Fulbright, a Rhodes Scholar from Arkansas said, "The junior Senator from Wisconsin, by his reckless charges, has so preyed upon the fears and hatreds and prejudices of the American people that he has started a prairie fire which neither he nor anyone else may be able to control."

One day before, the Senate tentatively voted to censure Senator McCarthy. All 43 Democrats present, their feelings about him magnified by his denunciation of them as "the party of treason," voted against him.

On Dec. 2, when the final vote came, there was plenty of Republican anger as well. Senator McCarthy had denounced, among others, Arthur Watkins, the Utah Republican who headed the Senate committee. Mr. Watkins, he said, was a coward and the committee was the "unwitting handmaiden" of the Communists. In the end, 22 of the 44 Republicans voted against him. The final vote was 67 to 22 to condemn Joseph R. McCarthy for dishonoring the Senate. After five years, the prairie fire began to burn itself out.

Dec. 2 was not the only day of decision. An indelible one had come in the Army-McCarthy hearings that spring (how many families were moved to buy their first TV set to watch?). Joseph Welch, Boston lawyer and soul of civility, turned to Senator McCarthy and said: "Have you no sense of decency, sir, at long last? Have you left no sense of decency?" Another milestone came in the November election. By regaining control of the Senate, the Democrats were about to take Joe McCarthy's investigating committee away from him.

Neither did that day end what James Wechsler

called the Age of Suspicion. Wags said McCarthyism had suddenly become a "wasm," yet Congressional committees continued to badger witnesses, intimidate institutions and hunt witches. Senator Watkins, the reluctant hero, was defeated in the next election and he blamed "the bitterness of the pro-McCarthy faction."

But Dec. 2 was the beginning of the end of a piercing period that started five years before in Wheeling, W. Va., when Joe McCarthy first thundered about 205 known Communists in the State Department. Before long, men as venerable as George Marshall were sprayed with slush and slime. Lives were chilled, and whole agencies were demoralized by book burners — as is mordantly clear from the job applicant in an old New Yorker cartoon: "It's true I was fired from the Voice of America, but it was for incompetence!"

On Dec. 2, the dishonored Senator insisted on calling a hearing for the following Monday, but then didn't even show up. In the new Congress, his chairmanship lost, he became, in biographer Lately Thomas's words, "the man who wasn't there. When he arose to speak, the chamber emptied."

Joe McCarthy died in May 1957. The doctors said liver failure. Supporters said a broken heart, or a broken crusade. As for the era, a good epitaph came from Norman Thomas, the rigorously principled old socialist, just a few days before the Senate vote: "The struggle against demagoguery scarcely fits the St. George-against-the-dragon myth. . . . Our democratic St. George goes out rather reluctantly with armor away. The struggle is confused; our knight wins by no clean thrust of lance or sword, but the dragon somehow poops out, and decent democracy is victor."

## Dimmesdale Poisoned? Anna Pushed?

How many readers of "The Scarlet Letter" have passed right over the word "apple-peru" on the second page? All of them, we'll bet, but not anymore — not if they're also reading The New England Journal of Medicine.

Dr. Jemshad A. Khan, writing in that prominent medical journal, argues that Nathaniel Hawthorne's casual mention of a poisonous plant is a clue to the murder of Hester Prynne's lover, the Reverend Dimmesdale, by her husband, Mr. Chillingworth. It wasn't guilt that did him in, says Dr. Khan. It was atropine, a poison derived from plants mentioned throughout the book.

If so, Nathaniel Hawthorne was a major mystery novelist. And if Hawthorne, why not Melville, Dickens and Tolstoy? Is there more to Captain Ahab's death, for instance, than the activity of a

much put-upon whale? Mr. Starbuck was very anxious to go back to Nantucket. Might David Copperfield have slipped something in Dora's soup? She went awfully fast. What really happened to Anna Karenina? True, she had been seduced and more or less abandoned, so her suicide seems in order. But remember that "grimy, hunched-over peasant" in the railroad station, the one that Anna said looked "familiar"? Remember how, after she'd landed on the railroad track, she tried to throw herself back but was struck by something "huge and implacable"? Are we sure it was the engine? Anna jumped, yes — but was she also pushed?

Could it be that there's more to the 19th-century novel than has yet met the 20th-century eye? If enough people think so, the new best sellers are apt to be some unlikely old authors.

### Topics

## More Terror, More Speed

### Guilt by Citizenship

Terrorism took an ominous turn in Vienna recently when Evner Ergun, a United Nations official since 1987, was killed by an Armenian gunman. Mr. Ergun's reputation was excellent, and his sole "crime" was his citizenship. He was a Turk.

Scores of Turkish diplomats have been killed by the Armenian terrorists. The avowed purpose is to call attention to the mass murder of Armenians under the Ottoman Empire during World War I. But in branding a whole people as guilty, the Armenians are doing to others precisely what was done to their ancestors.

The Vienna crime was the more outrageous because the victim was not a Turkish official. At a memorial for Mr. Ergun, Secretary General Javier Pérez de Cuellar made the necessary point: "The international civil

servant is neither the advocate nor the opponent of any national or group interest. . . . It passes all comprehension that he should become the object of any vendetta."

Most Armenians repudiate terrorism and ask only that Turkey acknowledge an indefensible historic wrong. But their cause is not merely hurt by killing diplomats and civil servants; it is dishonored.

### Dialogue

There's plenty of gas, driving is back in style, and rural states are pressing to relax the Federal 55-mile-per-hour speed limit, at least on big interstates in rural areas. They deserve a hearing. A study of the nation's 10-year experience with the limit finds that increasing it could yield large benefits without "propor-

tional impact on safety." An increase to 65 m.p.h. might cause an additional 500 deaths per year. But for each death travelers would save 850,000 hours — nearly 96 years — in time.

To some rural lawmakers, that's an acceptable trade-off, and legislators from urban areas, which need the 55-mile limit, need not stand in the way. But neither should they squander their bargaining power. For every rural driver who wants to drive faster, there's a city dweller who fears the spread of handguns. Yet tougher controls are blocked by the rural-dominated gun lobby.

Why not some political bargaining? City folks will support higher speed limits on the rural interstates if country people will stop blocking handgun control. The former have been known to go for drives in the country; the latter have had occasion to visit crime-ridden streets.

### Letters

## To Protect the World's Weak Against the Strong

To the Editor:

In his Nov. 15 column, "Rights for Terrorists?," William Safire described two international treaties, added to the four Geneva Conventions of 1949, as enhancing international terrorism. He referred to Protocol I, dealing with the protection of victims of international armed conflicts, and to Protocol II, concerning conflicts of a noninternational nature.

As a representative of a state party to these treaties and host to the conference that adopted them, I would like to comment on their significance.

Humanitarian principles are as old as civilization. But only since the adoption of the Geneva Convention of 1864 and the conventions of the International Peace Conference that began at The Hague in 1899 have there been systematic efforts to "civilize" warfare. Protocols I and II, adopted in 1977 after four years of negotiations, are the most recent of these.

The Geneva Conventions of 1949, based on the experiences of World War II, solved some of the problems raised by wars of a conventional nature between industrialized countries, but not those linked with new types of armed conflicts — half-internal, half-external — taking place mostly in the third world today.

The two protocols, particularly the blurred definition of international armed conflicts in Protocol I, reflect a complex political and military reality. Their main provisions are a compromise between the legitimate security requirements of states, diverse ideologies and different historical experiences that very often converge on the battlefield. Article 44 of Protocol I, for example, on combatants and prisoners of war, referred to by Mr. Safire, has been strongly supported by the United States because of its Vietnam experience.

It can be argued that the new provisions of Protocol I, on defining armed conflicts, may serve as an admonition to states to apply the law of armed conflicts to a much larger extent than many have been willing to do.

However, no provision of the two protocols can be construed as a recognition of terrorism or terrorist methods as a means of legitimate warfare. None of the participating states would have accepted such an interpretation. No state could ever grant terrorists legal protection under the protocols. On the contrary, the protocols prohibit acts of terrorism as a violation of international law.

The new rules — particularly those on the protection of civilians, of wounded, of sick and shipwrecked or prisoners of war and on methods and means of warfare — are far reaching and will help lessen the number of victims or alleviate their fate.

Their adoption by consensus in 1977 by more than 100 states would not have been possible had the states

not been convinced of their urgent necessity. Every compromise, of course, has its weaknesses, but what is at stake in the two protocols is the protection without discrimination of the victims of wars — of the weakest against the strongest — on a universal basis as possible.

(Ambassador) F. POMETTA  
Permanent Observer of Switzerland  
to the United Nations  
New York, Nov. 20, 1984

### Terrorists Are Outlaws

To the Editor:

William Safire's assertion that the 1977 Protocol I would grant prisoner-of-war status to terrorists can only be based on a misunderstanding of the treaty as evidenced by his misquotation of part of a paragraph from Article 44. He quoted only the first half of the sentence; in full it reads:

"Recognizing, however, that there are situations in armed conflicts where, owing to the nature of the hostilities an armed combatant cannot so distinguish himself, he shall retain his status as combatant, provided that, in such situations, he carries his arms openly: (a) during each military engagement, and (b) during such time as he is visible to the adversary while he is engaged in a military deployment preceding the launching of an attack in which he is to participate."

This would plainly not permit those who organize a truck-bomb blast at an embassy to claim P.O.W. status as Mr. Safire asserted. It should also be

realized that this provision is meant for an exceptional situation, the normal rule being reaffirmed in the first sentence that combatants are obliged to distinguish themselves from the civilian population.

The most important point to appreciate, however, is that a terrorist group, whose method consists of attacks that are indiscriminate or that are directed at civilians, would not be recognized as a group to which P.O.W. status would be granted. Article 43 of the treaty reaffirms that armed forces must be subject to a disciplinary system that enforces compliance with international law, and thus terrorist groups, which by their nature flout the law of armed conflict, can expect to get treated in the same way as Hitler's infamous Einsatzgruppen, who were for this reason denied P.O.W. status by the Nuremberg tribunal.

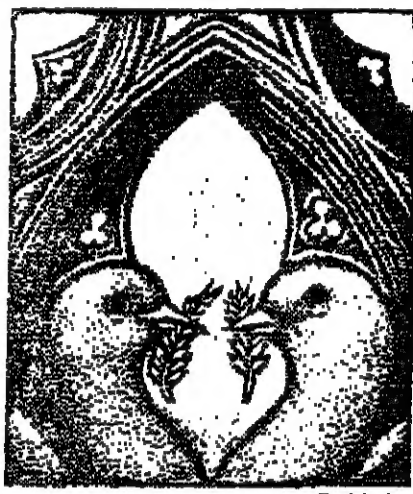
Further, individuals who violate the laws of war are to be tried and punished for war crimes, whether they are entitled to P.O.W. status or not.

Contrary to Mr. Safire's statements of its purpose, this protocol represents a long-overdue update of the law of armed conflict, including, in particular, provisions on the conduct of operations, last codified in the Hague Conventions of 1907. It would be a great pity if, as a result of such blatant misrepresentations, it were to suffer the same fate in the U.S. as has the Genocide Convention.

L. DONALD BECK  
London, Nov. 23, 1984

The writer is lecturer in international law at University College, London.

## The Long Diplomatic History of Venice



Daniel Adel

To the Editor:

William Macomber's otherwise excellent article on the unfortunate practice of using U.S. ambassadorial posts as political sinecures, cites, however, an unfortunate example: that of a Renaissance Venetian ambassador ("Stop Sending Ambassa-

dols Abroad," Op-Ed, Nov. 20).

While perhaps not the inventors of modern diplomacy, the Venetians were its most consummate practitioners. Indeed, it was a Venetian ambassador to Rome, Ermolao Barbaro, who wrote the first definitive handbook on diplomacy.

While there undoubtedly were exceptions, the Venetian ambassadors were for the most part capable, dedicated, if not always scrupulous servants of the state — and they served the Serene Republic well.

The Venetians were, in turn, influenced if not taught by the Byzantines. Both relied chiefly on diplomacy rather than the threat or use of military force to achieve their objectives. Both became rich, powerful, highly civilized states. Most important, both lasted more than 1,000 years, making theirs the oldest continuous political organizations in history. One wonders whether there aren't lessons to be gained.

NIS-ADOLPH PETERSEN  
Jersey City, Nov. 20, 1984

The writer is professor of history at Jersey City State College.

### A Verification Verity

To the Editor:

We are told by those who oppose an agreement calling for nuclear-arms parity with the Russians that any such agreement is a fatal error on our part, a snare and a delusion, in that parity is unverifiable. Safety, we are told, lies in our attaining nuclear superiority and maintaining it.

But if parity is unverifiable, just how is superiority verifiable? How do we attain nuclear-arms superiority over a potential enemy when there is no sure way of evaluating its arsenal? An endless arms race, costly and dangerous, and driven on by mutual suspicion, would appear inevitable.

One thing is verifiable, and it is that the Russian people do not want nuclear incineration any more than we do. I would say that is all the verification we need to justify a nuclear-arms-control agreement with the Soviet Union. BEN PASEN  
Jackson Heights, N.Y., Nov. 24, 1984

### Shortage of Listeners Outside Senate, Too

To the Editor:

In commenting on the condition of the United States Senate (news article, Nov. 25), Senator John C. Stennis of Mississippi, dean of the Senate, said:

"Something very elusive has gotten away from us. We do not listen to each other as much as we should. We do not have a proper chance to talk to each other. That has been lost; I do not know exactly where, but lost. It is not here anymore."

Unfortunately, these remarks apply not only to the Senate, but also to life in general in the United States. In the schoolroom, the home, the office, listening has become a lost form of communication. Much blame can and should be placed on television, but the "instant action" that permeates our society is, in my opinion, destroying our ability to be fulfilled human beings. FRANK E. KARELSEN JR.  
New York, Nov. 26, 1984

### Homeless Are With Us

To the Editor:

Until realistic, effective solutions are found for the problems of the homeless, there are things we can do.

We should provide lockers for the belongings of homeless families and individuals in churches, synagogues, armories and railroad stations; make available shower, washing and laundry facilities through a voucher system; provide vending machines in public areas with fruit and basic foods that could be purchased with tokens issued to the homeless, and make available sufficient and comfortable seating in public places.

We must also understand that even with adequate and humane overnight shelters, the homeless and "undesirables" are fellow users of public places that provide warmth and the reassuring presence of other human beings. HENRY L. LENNARD  
SUZANNE CROWTHURST LENNARD  
New York, Nov. 22, 1984

## No Logic to Having Presidency Decided by Electoral College

To the Editor:

It's suggested at least every four years that we abandon the Electoral College system and replace it with the direct election of the President and Vice President. This suggestion has won considerable bipartisan political and popular (70 percent) support, but has failed to obtain the necessary votes in Congress to send it to the states for approval.

Why should we tamper with a system carefully fashioned by the Founding Fathers? Does the direct election plan have superior merit?

The first attempts to modify the Electoral College were introduced in Congress in 1797. Since then, over 500 proposals have been introduced, including Senator Birch Bayh's effort in the late 1970's. Opponents cite, among other things, the Electoral College's unfairness:

• The present system denies, for instance, the legal principle of "one person, one vote." Votes, in fact, do not count the same. In Alaska, a vote for the 3 electoral votes represents 95,000 eligible voters, while in Texas it takes 372,000 citizens to cast one electoral vote.

• Under the present "winner takes all" a simple plurality of popular votes entitles the victor to every electoral vote of that state. The loser, and

his supporters, are automatically disenfranchised. In 1980, Texas cast no electoral votes for Carter, yet 1.8 million Texans voted for him.

• If there are strong third-party candidates, close elections increase the possibility that no Presidential candidate will get a clear majority of electoral votes, thus throwing the election into Congress for determination.

• In 1824, 1876, 1888 and almost in 1976 the loser in popular votes was eventually sworn in as President. In 1976, a switch of less than 10,000 votes in two states would have necessitated the election's being decided in the House of Representatives.

The horror tales of possibilities are endless and should be taken seriously. Would the direct election of the President be preferable?

Popular votes nationally, under this plan, would determine the winner, provided the winning candidate received a certain percent (40 percent) of the total vote. If no one got

the required percent, a runoff between the top two candidates would determine the winner.

Although not perfect and not without its detractors, direct election would remedy certain major existing problems — including the possibility of electing a nonplurality President — and better equalize voting power both among and within the states.

The large competitive states would lose some of their electoral advantage by the elimination of the winner-take-all voting, and the voting blocs of ethnic and racial groups in larger states would be less influential. Party competition within the states — and even nationwide — would be increased. Turnout should increase, and every vote would count in a direct election.

There is no logic in the present system of having the Presidency and Vice Presidency the only national political offices not decided by direct popular vote. HOBART L. MORRIS  
Brookfield, N.Y., Nov. 22, 1984

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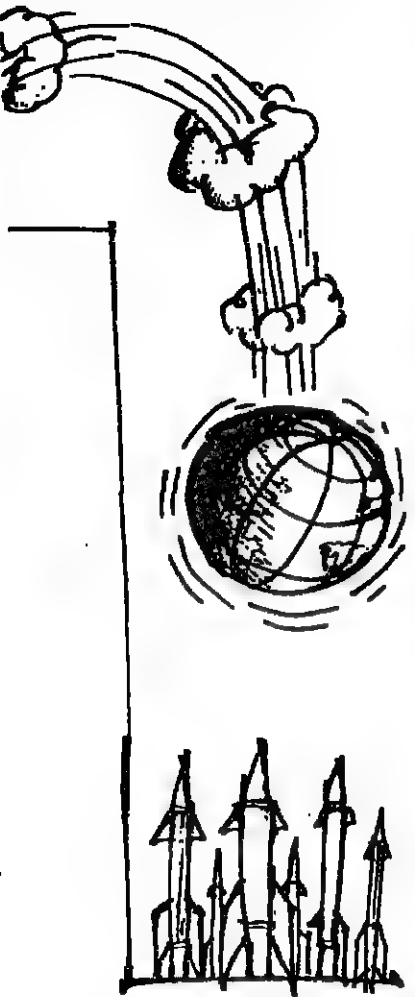
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## Mr. Reagan, Geneva Is Not Appomattox

By Paul C. Warnke

WASHINGTON — The meeting between Secretary of State George P. Shultz and Soviet Foreign Minister Andrei A. Gromyko scheduled for early January offers President Reagan a unique opportunity to get the arms control agreement he now describes as his first priority. The Soviet Union has agreed to talk, with-



out conditions, about "the entire complex of questions concerning nuclear and space weapons."

In order to agree to meet for this purpose, the Soviet leaders have had to swallow a year's worth of verbiage. They walked out of the talks on intermediate-range nuclear missiles in Europe when deployment of United States Pershing 2 and ground-launched cruise missiles began last November. Then they refused to set a date for resumption of the strategic arms reductions talks on intercontinental ballistic missiles, submarine-launched ballistic missiles and strategic bombers. Until last week, they had insisted on removal of all United States missiles from Europe as the price for their return.

Does the evident Soviet eagerness to get back to the bargaining table constitute a victory for President Reagan's policy of talking tough and presenting tough negotiating demands? It may — if he knows how to be a good winner. Konstantin U. Chernenko and his colleagues are clearly concerned about having to match United States technology in a competition in space weapons. Moreover, the stagnant Soviet economy will be hard put to bear the heavy costs of an uncontrolled arms race.

But it would, in my opinion, be a sad mistake to conclude that these pressures will lead the Soviet Union now to accept the United States proposals on intermediate-range and intercontinental-range nuclear weapons presented in 1982 and 1983 — proposals that the former Secretary of State, Alexander M. Haig Jr., has characterized as "absurd" and "non-negotiable."

A great chance for progress in arms control will be squandered if we try to get the Soviet Union to accept terms that would put it at a relative disadvantage. Mr. Shultz and Mr. Gromyko will be meeting in Geneva, not Appomattox. Just as neither side can gain nuclear superiority in an



arms race, neither will accept nuclear inferiority in an arms agreement.

We can legitimately expect major Soviet concessions if we are prepared to refrain from going ahead with certain programs that Moscow would like to see abandoned. And, fortunately, there are weapons programs, such as antisatellite devices, sea-launched cruise missiles and super-accurate but vulnerable land-based intercontinental missiles, that can do much more for our security if bargained away than they can do if deployed.

To make the most of this opportunity and help the Russians save face, it is highly advisable to fold the talks on intermediate-range missiles into the talks on longer-range strategic weapons. This will increase the trade-offs available to us, forestall a renewed Soviet insistence on removal of the Pershing 2 and ground-launched cruise missiles already deployed and put the British and French nuclear forces into proper perspective as a minor factor in the total strategic balance.

It would, in my opinion, be a mistake to try to deal with the entire complex of space and nuclear weapons in

one negotiating forum. But the "umbrella" concept can be valuable if it means that a high-level group, consisting of the Secretary of State and the Soviet Foreign Minister and strong supporting staffs, would meet regularly to monitor progress and remove roadblocks in a set of logically related negotiations. One pair of delegations could consider the overlapping problems of antisatellite and strategic defense systems, a second could deal with all of the nuclear weapons of one side that can strike the territory of the other and a third should be directed to complete a comprehensive ban on nuclear testing.

Finally, President Reagan cannot expect to capitalize on this great opportunity without doing some hiring and firing. It's not hard to block an arms control agreement. They're hard to get even when everyone is trying. Those officials who don't believe in arms control should be relieved of the burden of working for it. The idea of an overall arms control coordinator reporting to the President and the Secretary of State has a lot of merit. This, it should be noted, fits the job description of the Director of the Arms Control and Disarmament Agency. If the present incumbent doesn't meet Mr. Reagan's criteria for that role, perhaps he can be given other responsibilities and be replaced by someone who does.

Whether by luck or design, the Gipper has the field position to win a big one for all of us.

Paul C. Warnke, chairman of the Committee for National Security, a citizens' group working on arms control matters, was Director of the Arms Control and Disarmament Agency in 1977 and 1978.

WASHINGTON | James Reston

## 'Only in America'

It's the same old story around here — deficits and taxes — but the nonsense and nastiness of the Presidential campaign are behind us, and there are some new players on the stage and some old players in new roles.

The changing of the guard in Washington is intensely human, sad in some ways, reassuring in others. For example, somebody spotted Fritz Mondale at the Giant Supermarket on Wisconsin Avenue here the other day, tossing groceries into a shopping cart like any other dutiful husband, alone and almost unnoticed. He looked happy enough — maybe because he thinks his miss was his mercy.

George Bush and Geraldine Ferraro are going to have lunch together at the Vice President's house in a few days to talk things over in a more civilized atmosphere, and there are some other quiet gatherings worth noting.

Senator Charles Percy of Illinois, defeated for re-election, is here in Georgetown explaining the mysteries of the Senate to his son-in-law, Gov. Jay Rockefeller of West Virginia, who will take Mr. Percy's place, if not his position, in the upper chamber. And Albert Gore Jr. of Tennessee will be taking the Senate seat occupied by his father from 1953 to 1971.

This sort of thing happens, as Harry Golden used to say, "only in America." In some countries, they shoot losers. In others, they let them escape to Paris or Rome with the swag. In parliamentary countries, they keep the losers around to watch the winners. But here, in this throwaway society, we make the losers rich but break their hearts by banishing them to the anonymity of Washington law factories.

Still, the system works after its fashion, but nobody quite knows how or why. Unlike other democratic countries, power doesn't always follow the election returns or the wishes of the victorious President.

For example, the changes in the Republican leadership of the Senate were not exactly the ones President Reagan or his White House staff would have chosen. Robert Dole of Kansas, the new majority leader, and Alan K. Simpson of Wyoming, his deputy, are sound conservative Republicans, but they are more independent than obedient.

Also, they happen to be the two witest — though not the funniest — men in the Senate, and nothing alarms this President more than Republican senators who have power and also a sense of history and a sense of humor.

There is nothing funny, for example, about the prospect of a \$210 billion budget deficit, or the present trade deficit, already over \$100 billion

## Changes at key power switches

for the year; but it does strike Senator Dole as odd, if not funny, that the President should toss Treasury Secretary Regan to the photographers with a complicated and controversial tax reform proposal that wouldn't bring in any more revenue.

Also, Mr. Dole has to keep in mind that 22 Republican senators will be up for re-election in 1986, and that his party could lose control of the Senate for the last two years of the President's second term unless something is done about these budget and trade deficits.

So there's a different mood in the Senate, and the emergence of the new Republican leadership didn't happen by design but by accident. The accident was that for some mysterious reason Howard Baker of Tennessee thought that by resigning the Republican Senate leadership he could improve his chances of winning the Presidency in 1988.

This meant that Mr. Dole took Senator Baker's job, and Bob Packwood, a maverick from Oregon, took Senator Dole's job as chairman of the Finance Committee, and the Republican conservatives didn't even get Jesse Helms as chairman of the Senate Foreign Relations Committee.

There is a wistful theory that this is a country of laws and not of men, but in Washington a few changes at the key power switches make a big difference.

The President is left without the votes to put over the policies he prefers at home and abroad and must negotiate some kind of compromise with the Democrats, who control the House, and with the new Republican leadership in the Senate, which is not likely to be as patient as Howard Baker.

He must also negotiate with the bankers and the builders and the industrialists, who have been the foundation of his political success, but who are now more eager to get rid of the deficits than to reform the tax code.

In short, and as usual, the battleground is moving back again from the fringes to the center, where both parties must compromise in the national interest. □

## Nicaragua Thrown to the Lions

By Miguel d'Escoto

MANAGUA, Nicaragua — Nicaraguans feel like a Christian thrown to the lions by the Romans. After he overcame every lion, the Romans denounced him for fighting unfairly and executed him. His real crime was refusing to bow before the empire's gods and clinging to his own beliefs.

The Reagan Administration has set its lions against Nicaragua. It has mined our ports, bombed our airport, attacked oil storage facilities, blown up bridges and highways. It has recruited, trained and armed more than 10,000 mercenaries and directed them in an illegal "covert" war against us. It has instructed them in murdering ("neutralizing") Government officials and community leaders. More than 8,000 Nicaraguans, mostly civilians, have perished at the hands of these assassins.

To protect our population, we have been forced to obtain arms and commit our armed forces. For this, the Administration denounces us. For importing only arms to defend against forces set on us, we are accused of planning to invade Honduras and El Salvador, of becoming a Soviet base, of a "massive military buildup" that "destabilizes the region." We are threatened with American

Miguel d'Escoto is Nicaragua's Foreign Minister.

military intervention, bombardment, naval blockade.

A Nicaraguan invasion of our neighbors would be insane: it would give the Administration the pretext it wants to obliterate us.

Mercenaries supported by the Central Intelligence Agency have staged hit-and-run raids from Honduras for more than three years. Our troops have never pursued them into Honduras — doing so would be justified under international law — because we do not want war with Honduras or the United States. We were the first to agree to the Contadora treaty, which would have brought peace to Central America, but Washington torpedoed the treaty by pressing the other countries not to sign.

To demonstrate the absurdity of Administration accusations, let us suppose Nicaragua invaded Honduras and El Salvador and overcame not only their armies and populations but also American forces sent to their aid. We would have to establish occupation forces to administer both countries in the face of hostile populations. We would face rebellion. We would have the crushing burden of resolving both countries' severe economic problems. We already have our hands full attempting to resolve ours.

The charge that we have become subservient to Moscow is absurd. Having given our lives to regain our sovereignty, would we surrender it? We accepted Contadora provisions

committing us not to allow foreign military bases on our soil and to send home all foreign military advisers. Nicaragua means to stay nonaligned.

Yes, we obtain Soviet weapons. We must get from outside what we do not produce. After our revolution triumphed, we sought arms from America. Our request was denied. The Reagan Administration has pressed Western European and Latin American countries to cut off arms sales to us. It is hypocrisy to close off Western sources of arms, then denounce us for getting them elsewhere.

Nicaragua's weapons are solely defensive. We buy only what we absolutely need. Every dollar spent on arms is a dollar less for food production, health care, education, housing and other basic needs.

The Administration's all-out propaganda drive to convince the American people that Nicaragua is a threat is intended, we fear, to build a consensus for a Grenada-style invasion. The Administration says this is "non-sense." But on the eve of the Grenada invasion, it said Grenada's similar worry was "preposterous."

If the Administration really wants fewer arms entering Nicaragua, let it stop sending lions against us. We want to resolve all questions by direct negotiations on the basis of equality. But the empire can no longer make us bow to its gods. If it accepts this, we will live together in peace. □

IN THE NATION | Tom Wicker

## Mr. Weinberger's Tests

Let every nation know . . . that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty. — John F. Kennedy, Jan. 20, 1961.

"Recent history has proven that we cannot assume unilaterally the role of the world's defender. So while we may and should offer substantial amounts of economic and military assistance to our allies in their time of need and help them maintain forces to deter attacks against them — usually we cannot substitute our troops or our will for theirs." — Caspar Weinberger, Nov. 28, 1984.

In stating this hard lesson of the quarter-century since John Kennedy's inauguration, Mr. Weinberger, the Reagan Administration's Secretary of Defense, was careful to say that his words did not imply "an abdication of America's responsibilities." They suggest rather a more prudent assessment of the real interests of the nation and its allies, hence a heightened ability to safeguard those considered vital.

Mr. Weinberger's thoughtful statement was not, of course, a new concept. President Kennedy himself pointed out later in 1961 "that the United States is neither omnipotent nor omniscient . . . that we cannot right every wrong or reverse each adversity — and that therefore there cannot be an American solution to every world problem." Numerous officials and crit-

## Safeguarding vital interests abroad

some Administration officials, have learned the lesson Mr. Weinberger stated so bluntly. His remarks should make it more difficult for the Administration to be pressured, by public opinion or by hard-liners within, into unwise military adventures.

Outlining six tests of whether U.S. troops can or should be committed abroad, Mr. Weinberger cited the invasion of Grenada as meeting all these criteria. This suggests the trouble with such "tests": for only if you believe that the Grenada intervention was "vital to our national interest or that of our allies" can it meet the Secretary's very first requirement.

Obviously, Mr. Weinberger does believe that; but it's still a subjective value judgment with which others can and do disagree. Such tests almost always will come down to judgments of that kind, to be made by fallible officials, often on limited information, under pressure of time and events. The most such tests can do is to sound what Mr. Weinberger called "a note of caution"; but when lives are at risk that note, as he said, is "morally required."

The Secretary did not argue that the

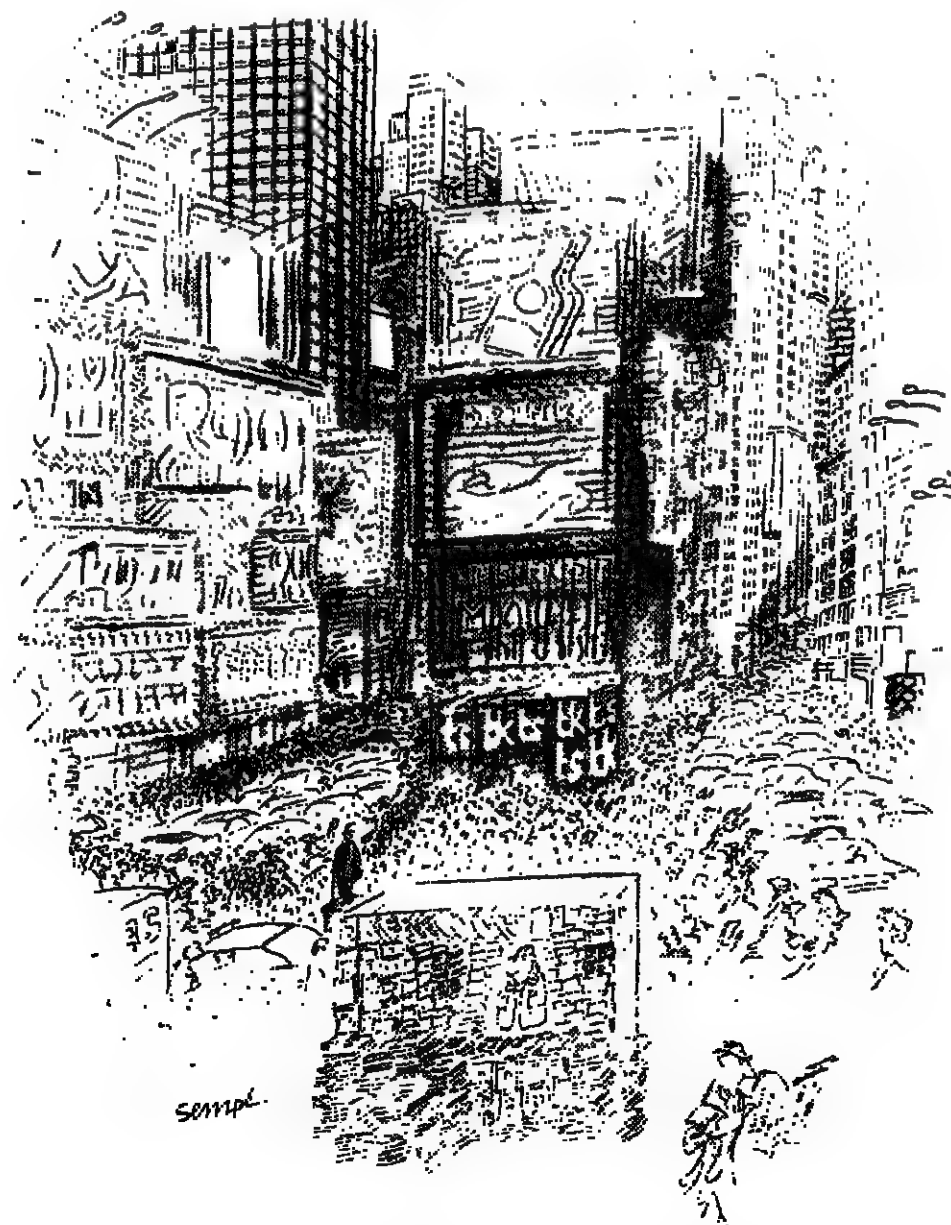
last resort" or with "clearly defined political and military objectives"; the relationship between those objectives and the size of the force was not sufficiently "reassessed and adjusted" and the necessary Congressional and public support never developed.

Turning to the most obvious future possibility for an intervention, Mr. Weinberger insisted in his prepared text that "the President will not allow our military forces to creep — or to be drawn gradually — into a combat role in Central America." But he refused, in answering questions, to rule out an attack on Nicaragua if circumstances should warrant it.

Which brings us back to the Secretary's six tests. Would anything short of the establishment of a Soviet missile base in Nicaragua produce public and Congressional support for a U.S. invasion of that country, or make armed intervention "vital to our national interest"? Is the overthrow of a Marxist government — as in Grenada — vital in that sense? If not, what threatening Nicaraguan act or policy might make invasion vitally necessary? What forces and what loss of U.S. and Nicaraguan life would be commensurate with the perceived necessity?

Mr. Weinberger's tests might well provide the morally required note of caution in future crises; but subjective as they inevitably must be, they cannot substitute for judicious application of the lesson he so aptly drew from the past. □

Correction: I regret that in this space



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# Science Facts Help Propel '2010'

By WILLIAM J. BROAD

Science fiction has always had a prophetic side. In his 1914 story "The World Set Free," H.G. Wells described a war in which the major cities of the world are destroyed by atom bombs the size of cannon balls. In the mid-1930's, after reading it, Leo Szilard became convinced that real atom bombs could be built and filed a secret patent on the idea. He later became a driving force behind the Manhattan Project.

So, too, authors of science fiction have predicted the advent of moon rockets, radio, helicopters, tanks, robots, computers, submarines and communications satellites that remain stationary 22,300 miles above the earth.

Now comes "2010: Odyssey Two," the sequel to the epic "2001: A Space Odyssey." The author of the novels on which both films are based, Arthur C. Clarke, said in an interview that "2010," which opens Friday at several New York theaters, is a thinly veiled plea for peace and cooperation in space. In the movie, Russians and Americans put aside their political differences to blast off in search of the ship and crew that nine years earlier, in 2001, had been lost while investigating an enigmatic black monolith near the planet Jupiter. That earlier voyage started after American explorers on the moon uncovered a monolith that beamed a powerful message toward the distant planet. The American ship sent to investigate had a small crew and a powerful, ultimately malevolent computer known as the H.A.L. 9000.

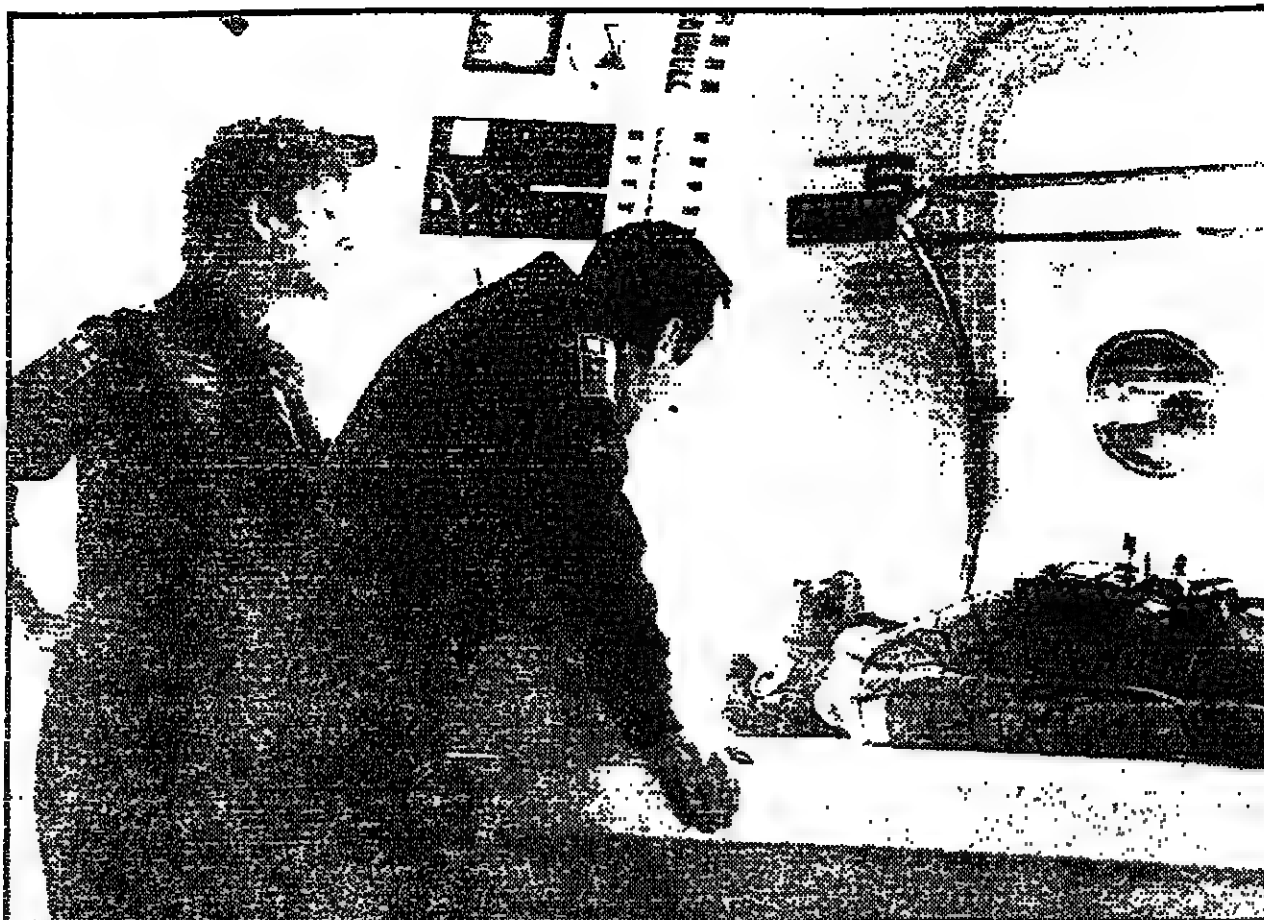
"I hope it's a self-fulfilling prophecy," Mr. Clarke said. "One of my goals in writing '2010' was to get people thinking about cooperation in space."

The film will doubtless raise a number of questions in the minds of many moviegoers. What are the actual chances for joint missions in space? Do astronomers still hope to find civilizations from other worlds? How scientifically realistic are the movie's scenes and details?

Such questions are becoming ever more relevant. It has been 16 years since the release of "2001," a period in which a wealth of new information has become available about space flight and the fabric of the heavens. All too quickly, science facts are catching up with science fiction.

"This film is different from anything I've done before in the sense that it's not meant to be a fantasy," said Peter Hyams, the producer, director and screenwriter of "2010" and

William J. Broad reports on science for The Times.



Helen Mirren and Savely Kramarov awaken Roy Scheider aboard the Soviet spacecraft in "2010."—Is it a vision of the not-so-distant future?

the director of such science-fiction adventures as "Outland" and "Capricorn One."

"We're on a cusp," he said. "I'm 41 years old. In 2010, my son will be younger than I am today. So you don't have the advantage of asking people to suspend their belief. It has to be an amalgam of what people think will be possible."

In addition to the accuracy of science facts, there is, of course, the question of how effectively "2010" works as cinematic entertainment, an issue on which the critics, and ultimately the moviegoing public, will have the final say.

"2010" opens with footage of the Very Large Array in Socorro, N.M., the largest and most sophisticated collection of radio telescopes in the world. In the movie they are poised, listening, straining to hear an extraterrestrial "hello" or anything that might help solve the riddle of what went wrong aboard the American ship Discovery in 2001.

These dish antennae are also the scene of a clandestine meeting between Dr. Heywood Floyd, played by Roy Scheider, and a Soviet official. Dr. Floyd is the man who authorized the failed mission to Jupiter. The question is whether the Americans

would now like to join the Soviets on an investigatory voyage. Dr. Floyd hesitates. The Americans, after all, are building their own ship to that end, albeit more slowly than the Soviets. The Soviet official then drops his ace: the Discovery's orbit around Jupiter is decaying rapidly and only the Russian craft will be able to get there in time.

The two nations join forces. The Jupiter-bound spaceship—carrying Dr. Floyd, two American colleagues and a Soviet crew of eight—has several nice touches. First, it is named the Leonov, after Alexei Leonov, the first man to walk in space and the Soviet commander on the Apollo-Soyuz rendezvous in 1975. Second, it has a rotating center section for the production of artificial gravity. The shots of the Leonov wheeling through space like a giant carnival ride are in striking contrast to the stately but sometimes sterile craft of "2001." Third, the interior of the Leonov is cluttered with dials, switches and television monitors, giving it a realism gleaned from more than 16 years of space flight.

As the ship approaches Jupiter, news is received of superpower strife on earth—blockades in Central America and firings by a Soviet laser

satellite. The Soviet and American crew at first become hostile but by the end of the movie everyone is thrown together by the dangers and exigencies of space flight.

Most dramatic is an "aero-braking" maneuver in which the ship takes a bone-rattling dive through the Jovian atmosphere in order to reduce its speed after the long trip from earth. This saves fuel because the ship's engines are not fired. The maneuver is not only quite realistic, according to experts, but similar tricks are planned for the American space program.

"It's one of the proposals for use with the space station," said Dr. Al Friedlander, an analyst with Science Applications Inc., which does long-range mission planning for the National Aeronautics and Space Administration. "On their way back from higher orbits, transfer vehicles might very well dip through the earth's atmosphere in order to slow down before docking with the space station. It saves gas."

In "2010," the braking maneuver also sends a female Soviet crew

# Arts & Leisure

member scurrying for the strong arms of Dr. Floyd.

The movie's depiction of Jupiter and its giant red spot is quite stunning, having been aided by data from the unmanned Voyager fly-by missions. As seen from the Leonov, moreover, the surface of the planet is alive with storms and swirls. Mr. Hyams said this turbulence was created by taking raw data from the Voyager probes and putting it into the world's most powerful supercomputer, the Cray X-MP, where it was processed and correlated with information about cloud vortices. The supercomputer is operated by Digital Productions, a graphics company that produces special effects for the movie industry.

According to Dr. Richard Terrile of the space agency's Jet Propulsion Laboratory, who helped create the effect, the movie's vision of Jupiter in some respects is more realistic than the one he and his colleagues have developed from photographic data.

The crew of the Leonov eventually finds and enters the abandoned Discovery, where an American computer wizard, Dr. Chandra, played by Bob Balaban, succeeds in bringing the H.A.L. 9000 back to life. In step with the times, H.A.L. in this movie is much more friendly than in "2001," where it read lips, plotted murders and finally killed off part of the crew.

Meanwhile back on earth, as nuclear war threatens, the Russian and American crews are ordered by superiors on earth to observe the heightened state of hostilities by separating into their respective ships.

Aboard Discovery, Dr. Floyd confronts an alien presence which warns him that "something wonderful" is about to happen—but something that will require the rescue team to quickly flee for earth or be destroyed.

What are the real chances for an encounter with a messenger from another world? According to some radio astronomers, they are better now than they were 16 years ago when "2001" was first released. In the interval, disks of matter that may contain planets or their early predecessors have been discovered around other stars, and the whole apparatus for listening for extraterrestrial signals has become many times more sophisticated.

"The broad consensus is that there's a great deal of intelligent life out there," said Dr. Frank Drake, a radio astronomer at the University of California at Santa Cruz and a pioneer in the search for extraterrestrial life. "The typical guess is that there are 10,000 to 100,000 advanced civilizations in the Milky Way alone."

The problem is meeting their representatives in person. Dr. Drake said that vast distances preclude trips by spaceships. "Even at the speed of light, a round trip would probably take 2,000 years," he noted.

In lieu of physical contact, Dr. Drake said, humans would have to settle for the electromagnetic kind. He noted that the Federal Government has recently started putting about \$1.5 million a year into the task of listening for faint signals from other worlds. "It's the wave of the future," he said.

"2010" is not all space-age realism. There are hibernation chambers, strange creatures, mystical levitations and other bits of fantasy, as well as a smattering of space-age clichés. But in general, according to the experts, most of the scientific details are accurate, creating an atmosphere of believability. The knowledge gained in the years between the filming of "2001" and "2010" seems to have been thoroughly assimilated by Mr. Clarke and Mr. Hyams.

And how likely are joint international voyages, a feat of politics rather than technology? In "2010" it is expediency and then an alien force that unites Russian and American crews in space—and ultimately the whole earth as its people witness the "something wonderful."

Mr. Hyams said waiting for extraterrestrials will not suffice. "There has to be that kind of cooperation," he said. "I'm not alone in thinking it's a phenomenal waste of resources not to pool our talent."

Mr. Clarke, who conceived of geostationary communications satellites in 1945—a notable case of technological prophecy—said it was not impossible that joint voyages will be achieved by political means alone. As for hopes that "2010" will become a self-fulfilling prophecy, Mr. Clarke stated that the Apollo-Soyuz mission was inspired by the movie "Marooned," a 1969 space thriller that starred Gregory Peck.

# The Image of the Buddha Continues to Enthral

By JOHN RUSSELL

Two things should be said about the Brooklyn Museum. One is that it is on the move in ways that can only delight us. The other is that there is an immediate and temporary reason to go there, in that through Feb. 10, 1985, the Brooklyn Museum has an exhibition called "The Light of Asia" that was previously shown with great success at the Los Angeles County Museum of Art and the Art Institute of Chicago. Organized primarily by Pratapaditya Pal, senior curator at the Los Angeles County Museum, it traces the look of Buddha Sakyamuni, the founder of Buddhism, as it was imagined by sculptors and painters in India, Sri Lanka, Nepal, Tibet, Korea, China, Japan and elsewhere. It is a mark of the care and the diplomatic skills with which the choices were made that the 179 objects in the show come from more than 80 sources—the Brooklyn Museum itself not excluded—in France, Belgium, Germany, Switzerland, England, India, Japan, Thailand, Korea and the United States.

The title is taken from a poem by Sir Edwin Arnold (1832-1904). If Arnold is kindly thought of among members of my profession, it is not for the general level of his work, which could hardly be lower, but for the line in his "Tenth Muse" that characterizes newspapermen as "Press-men; Slaves of the Lamp; Servants of Light." This particular servant of light has always had trouble disentangling the syntax, let alone the sense, of Arnold's

"Light of Asia," but the poem does nonetheless embody a general perception that has never ceased to be correct. The social and cultural traditions of Asia owe more to Buddha Sakyamuni than to any other human being.

To that extent, he can justly be named "The Light of Asia." And it would be an insensitive visitor who did not become aware of a new serenity, a disposition to silence and meditation, on the part of even the most rascally and distracted of New York natives. It will also be clear from the list of lenders' names that since the middle of the 19th century the image of the Buddha has fascinated American collectors, both private and institutional, and continues to do so today.

Some of them doubtless collected because they were students of Buddhism and wanted to have the real thing continually at hand. Others prized Buddhist art for precisely the seraphic element that comes out so strongly at the Brooklyn Museum. The pictured appearance of the Buddha varied enormously from place to place, from age to age and from society to society. Sometimes he was tall and slender, as in the 8th-century figure from Thailand that greets us at the entrance to the show, or in the representations that were made in Bihar, India, in the 10th and 11th centuries. Sometimes he had an ample, almost womanly appearance, as in the sculpture that was made in ancient Gandhara (now Pakistan) toward the end of the first century A.D. As happened later in the case of Jesus, there was no original image and no consensus as to the way he looked.

Yet in all these sculptures and paintings we see the Asian equivalent of a Prince Hamlet who took the right turning. All earthly ambitions have been cast aside, and we have before us a young man who gave up position, power, wealth and a proven mastery of the martial arts in the belief that, as one of the sacred texts of Buddhism puts it, "what matters is religion—an action rightly performed, after lust, hatred and envy have been abandoned, with true knowledge and serene mind and complete detachment from the fruit of action."

Though often shown seated in the Yoga position, sometimes with one hand extended towards the earth in the traditional gesture of certainty, stability and unshakable belief, the Buddha also turns up on many occasions as a standing figure, with physical attributes that might well endear him to either sex. There is in the Brooklyn show a fragment of a 5th-century Chinese shrine, made of wood, that is conspicuously seductive. It has its rivals, moreover. The standing figure of Buddha from the Cleveland Museum, made of brass with silver inlay in Western Tibet or Kashmir around the year 1,000 A.D., is one of them. Another is the 14th-century figure from Thailand in which Buddha is for once shown walking. Holy as it may be, this figure is also conspicuously erotic.

Given the pacific subject matter of almost everything that is in the show, we find it easy, almost without knowing it, to slip into a dream world in which bad behavior plays no part. There is a 15th-century Iranian watercolor in which the birth of the not-yet-sanctified Buddha is shown to have been just as bloody as any other birth. And there is a remarkably graphic marble figure from China, dated from the Liao dynasty (907-1125 A.D.), in which the Buddha bears upon his chest and lap a complete spiritual autobiography in sculptural form. After so much that is specifically seraphic it is startling to come upon a spectacular and minutely detailed representation of the tortures of the damned. But with a few exceptions such as these, we seem to hear throughout the angelic strains of Gluck's "Dance of the Blessed Spirits" from "Orfeo." As a change of pace from downtown Brooklyn, nothing could be more definitive.



Part of a fifth-century diptych with scenes from the life of Buddha

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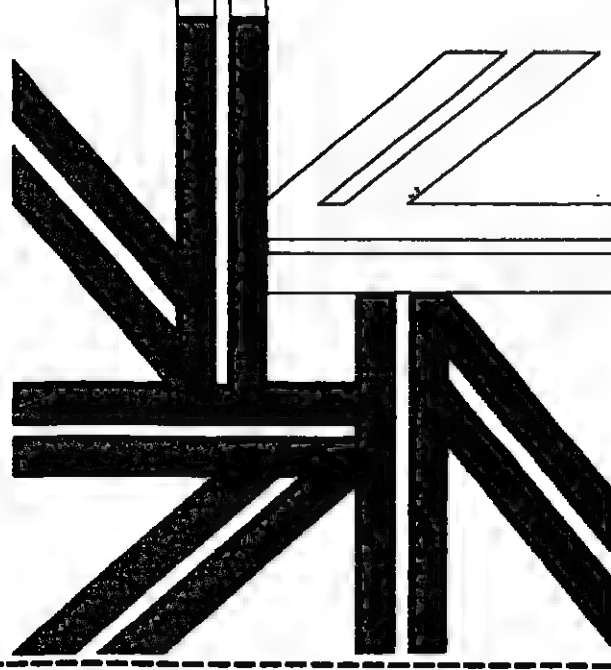
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RANDOMALIA  
Miriam Arad

GILAD is 16. He is a fairly typical teenager in that half his mind is on girls, and the other half on his new scooter. He may be slightly less typical in that he's quite a nice person to have around; he's friendly, tolerably polite, and considerate, ready to talk to adults and even listen to them. He's a good student, makes his own bed in the morning with only an occasional grumble, and has been known to hug his mother when no one was looking.

Orna is 23 and a doting. Pretty, sweet, intelligent, and with a marvelous sense of humor, she is also the unluckiest person I know. Her wardrobe is nearly empty, not because she has so few clothes, but because when changing she drops them on the floor and leaves them there. She only does the dishes when she has run out of any to eat from. She studies law, and spends a lot of time roaming through her flat in search of a clear surface to work on. Once every few months, when it gets so she can't find anything any more, she heaves a great sigh and "makes Pesach," as she calls it. It never stays "Pesach" for long, though. Why? Because she doesn't really want it. She doesn't like order. She's happy in her chaos.

Now for the respective childhoods of Gilad and Orna who, in case you wondered, aren't siblings. When Gilad was small, everyone who knew him figured he'd turn out the most horrid brat in creation. A latercomer in the family, he was born when his two sisters were 10 and 13, and both they and his parents proceeded to spoil him rotten. Whatever Gilad wanted, Gilad got. When Gilad cried, four people jumped up to dry his tears; when he fell, eight hands picked him up. Naturally Gilad exploited this situation to the hilt, as what child wouldn't, but a horrid brat he refused to become. He simply didn't have it in him.

Orna's mother is a neat and tidy housewife, but — don't rejoice, my psychologically reader — by no means obsessively so. When Orna was small, the business of putting away toys and such was undertaken jointly by Orna and Mother, and generally ended in a game of putting the dolls to bed, the cars in the garage, and so on. When Orna was old enough to take over herself, Mother placed a large basket in her room for all the smaller objects to go into, so the job wouldn't be too onerous. In a word, Orna's mother did what she could to make Orna a reasonably neat and tidy girl, but to no avail, because Orna, too, didn't have it in her: she likes chaos and that's it. She was, I presume, born with chaos-like genes inside her and rarin' to go.

SO I DON'T know whether the Nurture vs. Nature debate still rages, but from what I see, I'm inclined to come down on the side of the first. Then what of education and government, which do after all have some weight, too? Well, much of the time you don't know whether you're doing it right or wrong anyway, the more so when fashion changes, swinging from slap to no-slap, disciplinarian to permissive and back. Perhaps in the final analysis it depends more on what you are — warm, wise, tense, emotional, etc. — than on what you do: on your own nature, in other words, rather than your nurture.

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# A damaging freeze

By DAVID KRIVINE / Jerusalem Post Correspondent



Rafael Benvenisti... "Not everything has to be built straightaway." (Karen Ben-Zion)

year: the freeze has been re-enacted. The reason given this time is that \$250m. was allocated in the budget for investment incentives in 1984, but \$400m. of incentives are in the pipeline; and the ministries ran out of funds.

BENVENISTI IS OFF this week to rejoin the International Finance Corporation (IFC) in Washington, a subsidiary of the World Bank which provides soft loans to Third World countries. He has done a spell there before. Why again? "After close to eight years in the Investment Authority, I need a sabbatical," he smiles.

Progress achieved during the period at his humble office in Jerusalem's Pick Street is not to be disparaged: "We helped establish a micro-electronic industry in Israel, he boasts. The reference is to the manufacture of micro-processors, which are the heart of every computer.

"First came design centres. Four new ones were established — Intel in Haifa (1974 — before my time), National Semi-Conductors in Herzliya (1978), Motorola (1982) and Digital (1984).

"That was Stage One. Stage Two is the creation of wafer- (or chip-) manufacturing plants now in progress — Intel in Jerusalem (1985), National Semi-Conductors in Migdal Ha'emek (1986). Under negotiation with Motorola is the construction of a factory in the south, hopefully in a development township (1988-1989).

"The design centres comprised an investment of \$40m. and the employment of 450 people. The new factories will cost \$240m. until 1986 and I predict a placement of another \$350m. by the end of the decade.

"Employment in the coming two years will be found for 650 people, including 150 engineers and scientists. By 1990, the figure should increase to 2,500. "Export projec-

tions are \$100m. in 1986, and \$600m. in 1990.

He is looking ahead, but the groundwork has been laid. It is a slow and painstaking business: after all, investments can take five years to fructify. "This development in micro-electronics is what I'm most proud of," he declares.

INVESTMENTS in other branches have come in, too. Indeed, there has

been a boom since 1981. Benvenisti gives three reasons: Firstly, the science-based industries (Scitex, Elscint and the rest) were doing well and have expanded.

Secondly, traditional branches founded in the Fifties and Sixties (including textiles) needed renovation. There has been a major spurt of re-equipment. And thirdly, the much-criticized Income Tax Law in Times of Inflation has proved to

have one merit: it offers a big bonus to investments made in industrial machinery.

The expansion is welcome, but the incentives are a cost to the taxpayer and a burden on the budget. Cannot outlays be reduced? They have to be in these critical times, according to Benvenisti, and savings can indeed be made — but not by evading obligations.

Instead, "criteria should be more selective. The benefits are supposed to be proportionate to the investment, but not necessarily to all the investment. The authorities have to be selective. It is a pity, but there you are. Austerity is upon us for the moment.

"We can omit from official approval areas that don't rate top priority, like pollution control, office buildings, canteens, green areas, cars and tenders, parking lots, decorations. Not everything has to be built straightaway; investment plans can be slimmed down. All this could be seen as a contribution to the battle against inflation."

Once a project gets under way, the benefits are paid out in instalments as the work progresses. Benvenisti suggests that each instalment be only 90 per cent index-linked. Firms would thus have to review their construction programme each time, eliminating superfluousities. "There is always a surplus 'fat' that can be scraped off," he says. Some people maintain that massive aid from the Treasury is apt to promote over-investment.

"If, however, a particular project has really been trimmed down to its bare bones," Benvenisti adds, "the firm should be allowed to appeal against my proposal and get full linkage after all."

HE IS GOING to the IFC with an idea, and the UN agency shows signs of finding it worthy of consideration. The idea emerged spontaneously from his experience with the Investment Authority.

"The task of the IFC is to help develop the Third World. It seeks projects inside those countries. But is that the place — or rather the only place — to look?"

"Companies exist in the advanced countries of the West ready to exploit advantageous business opportunities overseas. However, they encounter obstacles and don't bother. The IFC should hone in on this source of capital."

"Everybody sniffs at the multi-nationals, yet they have the technology, they have the management, they have the markets. We in Israel have sought contact with them, arranged trips, organized seminars, offered investment loans — and with good results. The IFC should try this approach."

Israel itself has not, he thinks, exploited all the openings for mobilizing capital abroad. "We receive philanthropy; and I include Israel Bonds in that, because they offer only 4 per cent when the prime rate in the U.S. is over 10 per cent. We also call on direct investment in business ventures, through the purchase of shares or in other ways."

He says that there is a third area in-between, which we don't investigate: "I'm talking about portfolio investments. The USA receives endowments and invests the money to create a steady income for institutions in Israel. Why invest it in General Motors or in State of New York bonds — why not in special debentures issued by the State of Israel at the going market rate?"

"I wouldn't suggest this if Israel could make do with soft loans as it used to in the past. But today with our widened trade deficit, we are dipping into the commercial loan market. Importers are required by the Treasury to use suppliers' credit, which can be 8 per cent above prime rate. We take expensive short-term loans from foreign banks."

He suggests that the government could offer debentures yielding 10 or 11 per cent in dollars to pension funds abroad and other holders of big capital who want to lock up their money for an appreciable term. It is not a device for the long term, but it could help us out of our present jam, he says.

## Odd choices

MUSIC REVIEWS

were completely lost in masses of sound. There was also little variety of expression or mood.

Nor did the *Four Choral Songs* by Partos provide much delight though this was definitely not the fault of the performers. Partos' great art must be appreciated but the dense polyphonic web in these pieces seems to contradict the character of the worked-out material: simple, ethnic liturgical melodies. Though the chorists worked their way admirably through the complicated fabric of interlocking voices, the overall result was rather monotonous.

The second part of the programme was quite different. Partos' "Rahat Tsarum" is a splendid setting of psalm 13, while conductor Avner Itai may have been burdened by the overdone textures of the choral songs, here he could do justice to the composer. No more cloying uniformity, and the Bach Motet brought another change in the sound of the choir, which suddenly bright-

ened up and transcended the textures with an almost visible luminosity. The performance made Bach's music flow continually with melodious ease. BENJAMIN BAR-AM

ISRAEL SINFONETTA BEERSHEVA, Lior Shambadal, conductor; Daniel Benyamini, viola. (Conservatory Hall, Beersheva, November 26.) Beethoven: Eleven Viennese Dances, W.17; Shostakovich: "Der Schwarzenreiter" for Viola and Chamber Orchestra (1935); Lior Shambadal: "Sirota II" for orchestra (1984); Dvorak: Czech Suite, op. 9.

ONE MEASURE of an orchestra's professionalism is how well it plays for a guest conductor who has yet to achieve wide international recognition. So it is no diminution of Lior Shambadal's considerable talents that we begin by complimenting Mendi Rodan on the excellence of his Israel Sinfonietta. Would that our best-known professional orchestra played so well so consistently.

Beethoven's *Viennese Dances* was a curious opening choice. It is hard

to believe that these artfully naive and charming pieces were contemporary with the *Missa Solemnis* and the "Ninth Symphony." Never meant to be played in succession, their charm quickly pallid and, at 20 minutes, were too long by half. Perhaps beer, wine and wurst would have made them more palatable. Shambadal's performance would have graced a Haydn symphony or a Strauss waltz.

Daniel Benyamini's performance of the Hindemith was a revelation. I knew this work only through recordings and, as with so many of the composer's works, felt admiration without affection. But the veteran IPO violist imbued this folksong-based work with the warmth and wit the composer surely intended. With the sympathetic accompaniment of Shambadal and the orchestra, Benyamini provided us with music making of the highest order. Not even a power failure at the start of the third movement, delaying its performance for some 20 minutes, could detract from the pleasure. Indeed, we were grateful for the artists' repeating the second movement when the lights were restored.

Few conductors are successful as composers, though many try. Shambadal's programme notes for this

world premiere of his own "Sirota II" gave no indication that he would be one of the successful few. Part metaphysics, part mathematics, this might have made sense to a philosophically inclined acoustical engineer. But instead of sterile sewing-machine modernism, we heard a ten-minute work of exceptional power and beauty, full of tension and mystery with sounds exotic and familiar. The work elicited a virtuoso display from percussionist Jeffrey Kowalsky and from the entire orchestra. This is a work that one wants to hear again, and soon, not out of a sense of obligation to modern music, but with pleasurable anticipation. It is a delight to hear a thoroughly contemporary work that doesn't consider intellect and emotion mutually exclusive.

The "Czech Suite" that closed the programme is not top-drawer Dvorak, but it gave English born Cynthia Fleming an opportunity to display a ravishing tone, and showed conductor Shambadal to be fluent in yet another idiom. It bodes well for this multi-talented young conductor's future that, unlike so many of his contemporaries who "specialize" in particular periods of music, he seems equally at home in so many.

MOSHE SAPERSTEIN

## Nothing new under the sunset

FILM REVIEW / Dan Fainaru

THE ONLY WAY to accept *The Outsiders* and preserve one's respect for Francis Ford Coppola, who directed it, is to regard it as an experiment. Coppola tries all kinds of lighting effects (who needs green faces?) for a story which has the advantage of being pre-sold, since it is taken from a best-seller highly favoured by American youth.

After the commercial flop of *One From The Heart*, certainly an experimental movie, which sank the

entire Coppola film empire into a sea of debt, this may have been his only alternative; but frankly it is not a very appealing one. The old adage about the right and the wrong side of the tracks, the tragedy of misguided youth spending its golden years in mindless acts of violence — all this was treated far more relevantly and in depth 30 years ago by Nicholas Ray in *Rebel Without A Cause*, not to mention countless other movies dealing with the same subject since.

Coppola doesn't offer anything really new here, no perception that hasn't been elaborated long ago, and no original approach. If some of his visuals are supposed to be a homage to old-fashioned Hollywood, they look more like a parody of it (the blazing sunset, for instance) and one wonders whether his style of lighting the faces of his young actors is intended to have some deep meaning or whether it is just another freak show.

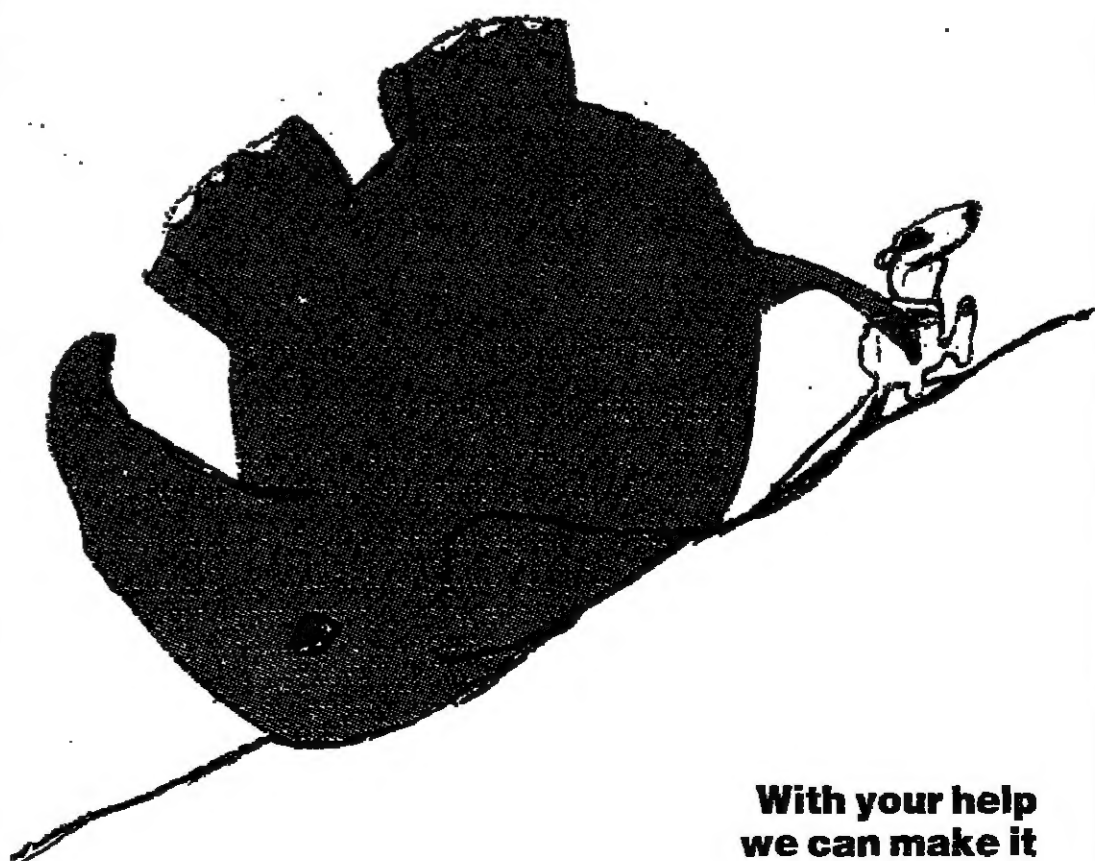
FINALLY. *Rocky* for the kids. It's called *Karate Kid*; the Rocky team (director John Avildsen, cinematographer James Crabb, composer Bill Conti) produced it; and the Rocky good luck charm accompanies it all the way.

Ralph Macchio, one of the drove of kids in *Outsiders*, is brought in this movie, against his will, to sunny California. The first evening, while trying to be chivalrous to a young lady looking far too developed for his own good, he is beaten up by her former boyfriend, a big, blond Black Belt with a West Coast tan.

Macchio sulks, retreats into himself until salvation comes disguised as an old Okinawan house-keeper, who talks like Sakini in *The Tea House of the August Moon* and uses his body with the agility of Bruce Lee. With his help, undernourished Macchio learns the deeper meaning of karate, which has to come from your soul if it is to be effective, and with a magisterial blow from his left foot, teaches his arch foe once and for all to respect the little people. This is done, of course (how else, when the *Rocky* syndrome is at work?) in a karate tournament, all fair and above board.

Given the natural tendency of cinema audiences to root for the underdog, the tremendous box-office success of this picture is understandable. No smart producer could ask for more than that, and the producers here, are obviously pretty smart.

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U.S. professor: deal may hurt some Israeli industries

## Doubts about Free Trade Area

By MACABEE DEAN  
Jerusalem Post Reporter

TEL AVIV. — The Free Trade Area (FTA) agreement between Israel and the U.S., now being discussed in the U.S., "will benefit the U.S. much more than Israel; as a matter of fact, it may be detrimental to some of Israel's budding industries, especially electronics and other high-technology enterprises."

This was stated by Joseph Pelzman, associate professor of economics at George Washington University, who is at present spending a sabbatical leave at the Hebrew University. He thinks that if the U.S. wants to help Israel, it should provide assistance to induce large-scale American investments in Israel's manufacturing and export sectors.

According to his calculations Israel would increase its exports to the U.S., which were \$1.25 billion in 1983, by only \$9 million in the foreseeable future. However, the U.S. would increase its exports to Israel, which were \$1.715 billion in 1983, by about \$280.9 million, if not more.

(The figures for the 1983 trade are official U.S. figures, and differ from

the Israeli ones, since different systems of measurement are used.) Prof. Pelzman notes that at present some 95 per cent of all of Israel's exports enter the U.S. duty-free, either as part of the Generalized System of Preferences, or as part of the most-favoured-nation agreement.

"Only \$86.5 million worth of goods was dutiable in 1983. And the total duty paid was only \$10 million, or less than one per cent of all Israeli exports to the U.S."

The major Israeli exports subject to U.S. duties consisted of tomato products, olives, oranges, wine, women's knitwear, cotton towels and man-made fibre yarns.

"One can easily conclude from all this that U.S. tariffs are not prohibiting the flow of exports from Israel to the U.S."

On the other hand, he points out that 45 per cent of American exports to Israel are dutiable. Moreover, the price of all U.S. goods reaching Israel also have their retail price raised considerably by the Israeli internal tax system, such as purchase tax, the 15 per cent VAT, the two per cent tax to cover some of the

costs of the War in the Lebanon, etc. Pelzman admits that he bases all his assumptions on the fact that the Generalized System of Preferences (GSP) will continue until 1987, and the Americans have decided to extend it to 1987, although the GSP should have ended in 1984.

Of course, if the GSP had ended in 1984, Israel would have been hard hit in its exports programme to the U.S., unless other provisions had been made.

But the GSP has been extended, and as noted, the Free Trade Area agreement will give the U.S. considerable advantages over Israel.

"For example, the U.S. could, as soon as the Free Trade Area agreement is signed, expand its exports of computer parts, aircraft parts, electrical switching boards and telecommunication equipment. The shipment of these items has the potential of disrupting a number of Israeli high-tech industries, which are in their early stages of production," he notes.

Pelzman concludes that the FTA, as it now stands, "is more a political instrument than an economic initiative, and is therefore not in Israel's interest. Not only will it result in a trivial improvement in the level of Israeli exports to the U.S., but it will also lead to the Americans pressing for the removal of what they view as Israeli non-tariff barriers on U.S. exports. This will also hurt Israel."

"Therefore," the professor says, "as I have stated, the best way the U.S. can help Israel is not through the FTA, at least not in its present form, but by encouraging American investments in Israel's export-oriented industries."

### Price competition at supermarkets

TEL AVIV. — Price competition among the supermarket chains is flourishing these days, apparently as a result of the price freeze and consequent consumer awareness of prices. In response to Supersol's "take two, pay for one" offers, the country's largest Co-op Supermarket region is countering with "buy one, pay half."

For a fortnight, beginning tomorrow, Co-op Tel Aviv Dan Hasharon will sell six items at half their maximum list prices. The biggest single saving comes on a four-kilo sack of "Dana" laundry powder, to be sold at 152.625 instead of the listed 305.250. The other items include crackers, toothpaste, coffee and olives.

For the Hanukkah season, this chain's Co-op stores from Hadera to Eilat will offer reductions on Eficel doughnut mix and self-raising flour, and Tet-Bet oil.



Tourism Minister Avraham Sharir (centre) calls upon Jean-Marie Lustiger, the Jewish-born Cardinal of Paris, as part of his official visit to France last week to discuss means of encouraging Christian pilgrimage to Israel. During his visit Sharir also met with French Chief Rabbi Rene Shmuel Sirat, who agreed that this year's conference of French rabbis is to be held in Israel. Only 20 per cent of French Jews have ever been in Israel. (Zelner)

## Minister offers his advice to workers facing dismissal

By AARON SITTNER  
Jerusalem Post Reporter

About 100 employees facing dismissal at the Lapidot Oil Company were given some advice by Energy Minister Moshe Shahal last week on ways to preserve their jobs.

At a meeting with their representatives in his office, Shahal suggested that the workers consider a shortened work week, thus enabling the company — partly owned by the government — to maintain its manpower complement without a cut.

Another possibility, he added, would be for the workers to contribute a month's work to their employer by going on voluntary, unpaid furlough.

Shahal also offered the Lapidot employees construction work at the new electric power station now being built near Ashkelon. Once the station is completed, these workers

would be given priority in the hiring for permanent jobs there, he promised.

In Jerusalem, Labour Council secretary Nissan Harpaz announced that two government-affiliated employers, the Government Printer and the Israeli Fibres Institute will not be closed down, as had been hinted. The former is under the supervision of the Treasury and the latter is supervised by the Ministry of Industry and Trade.

Harpaz assailed the Treasury for "gross neglect of the Government Printer, refusing to invest even one agora to renew its equipment." As for the Fibres Institute — a research and development organization — it had boosted its output in the past seven years despite a 50 per cent cut in its staff, and has reached the point where it earns 25 per cent of its own budget, said Harpaz.

## Unemployment is up by one-third

Post Economic Reporter  
Unemployment rose by 35 per cent during the first nine months of the year in comparison with the same period last year, the Central Bureau of Statistics said on Friday. It added that in the third quarter of the year, there were 36,000 jobless in the country, which is 5.8 per cent of the labour force.

The figures showed that from April to September, the number of jobless remained relatively stable, with a slight drop from July to September. In July to September 1983, the jobless rate was 4.1 per cent.

The CBS said 4.8 per cent of all males in the labour force were unemployed, compared with 7.6 per cent for women. It added that 25 per cent of all unemployed were under 25.

The CBS figures include all persons looking for work, and not only those who have registered with the Employment Service.

## Your money & your questions

By JOSEPH MORGENTHAU

Question: — In consequence of the collapse of the bank shares I froze part of my bank share holdings in a four-year savings scheme. Part of my shares I did not put into the scheme, so as to be able to sell them at a future date, if necessary. How have the shares of the country's three major banks performed in 1984?

Answer: — There is an old folk saying that "yesterday's goats turn into tomorrow's heroes." This saying is applicable to the shares of the country's major banks. The shares of Leumi, Hapoalim and Discount from January 1, 1984 until the end of November averaged a nominal gain of 64.4 per cent, outperforming inflation.

What is perhaps even more notable is that if we take the devaluation of the shekel in terms of the dollar, into account — 444 per cent — becomes apparent that any investor who purchased on January 1, bought \$100 worth of bank shares, at the end of November owned \$129 worth of these shares. Not a bad return at all.

Question: — According to regulations announced at the end of January, 1984, Israelis must close out foreign currency accounts which they have in banks outside Israel. I have a valid reason for having such an account. Could you please tell me to whom I should apply for approval of maintaining an overseas foreign currency account?

Answer: — The Bank of Israel's foreign currency control department at its Jerusalem headquarters has the right to approve exceptions to regulations dealing with foreign currency control. I suggest that you write to them directly, giving the reasons for your request.

Question: — Do you think there are any opportunities for making money now buying shares on the Tel Aviv Stock Exchange?

Answer: — There was a sound rationale for investing in the shares

of companies in the food business, and after the announcement of the "package deal" Supersol shares were up by 32 per cent in November. Sunlight gained nearly 35 per cent and Assis was up almost 53 per cent. Certainly this performance outpaces the 14 per cent devaluation of the shekel for November, and the anticipated 16 per cent rise in the cost-of-living index for the month. Of course, this is now ancient history, and what you are really asking me to look into my crystal ball, which often is very hazy. Nevertheless, I'm going to take a stab at answering your question.

Companies whose business reflects a high component of defence-related activity, as well as companies whose export sales are a large percentage of total sales, should do better than other companies. The shares of Spectronix, which did fairly well earlier this year, only advanced by some 12 per cent in November and appear to offer an attractive opportunity. Clal Industries and Cal Electronic Industries although they advanced by 27 per cent each in November, nevertheless appear to me as interesting investment vehicles.

Question: — When we came on aliyah and stayed at the absorption centre we received a monthly Jewish Agency loan to help with living expenses until my husband and I found work. We are now repaying our loan on a monthly basis. Arranging for the payment of approximately \$500 a month, which must be done at our bank, is incredibly time-consuming and the bank charges are greater than the sum involved. What can I do about this?

Answer: — If you can afford it, the logical step is to pay off the entire loan in one shot. However, when it comes to Jewish Agency loans, logic must not be confused with reality. The pre-payment of such loans is discouraged by the Agency. Gna and bear it, it will make a better immigrant of you both.

## Egypt raises its oil output

AIN SUKHA (Reuters). — On a coastal strip along the Gulf of Suez, site of 90 per cent of Egypt's proven oil reserves, workers are busy erecting platforms and pipes for a growing offshore oil industry.

Despite a drop in world demand for crude oil, Egypt is scrambling towards an oil output goal of one million barrels per day (BPD), to satisfy a hungry domestic market.

Its oil production now averages 877,000 BPD, but industry sources say a 150,000 BPD increase next year from two fields in the Gulf of Suez should push production over one million BPD.

Industry sources say that although Egypt's oil exports are competing in a glutted international market, its goal of higher output may be dictated by domestic demand growing at an average of 10 per cent a year.

Egyptian petrol prices are held at 20 per cent below the international market price by state subsidies.

which cost the treasury \$2.7 billion a year.

Revenues from oil exports of some 300,000 BPD constitute Egypt's second-largest source of foreign exchange income, after remittances from Egyptians working abroad. Oil exports earned the country \$2.5 billion in the 1983-84 financial year.

Although Egypt is not a member of Opec, it agreed in October to reduce its oil exports by 30,000 BPD to help prop up the \$24 a barrel Opec benchmark price.

Egypt fixes its oil price monthly in line with trends in the free market for oil, but has maintained the rate at \$28 for some months, despite customer pressure for a reduction.

PIRATES. — A "pirate" cable television station at Givat Amos near Haifa was raided on Friday by police and Communication Ministry employees, and its equipment confiscated.

## Sale of UK's Telecom shares four times oversubscribed

LONDON (Reuters). — The sale of Britain's state telephone company, the world's biggest share issue, was more than four times oversubscribed, the bank underwriting the issue said yesterday.

But Kleinwort Benson said allocations of British Telecom (BT) shares on offer in Britain were being scaled down in favour of small investors, with no-one receiving more than 800.

The government put 3.01 billion shares, just over half BT's ordinary share capital, on sale last month.

The £3.9 billion (\$4.7 billion) sale is in line with Conservative Prime Minister Margaret Thatcher's pledge to

cut state ownership in Britain and persuade ordinary Britons to invest in stocks and shares.

Kleinwort Benson said in a statement that would-be investors had applied for a total of 12.75 billion shares.

Applicants for more than 100,000 shares will get none, while applicants for 200 to 400 shares will get all they asked for.

The government offered 47.4 per cent of the shares to institutional investors, 34.3 per cent to the public and 4.6 per cent to BT staff and pensioners. The remaining 13.7 per cent is being sold in North America and Japan.

## Huge loss for Canada's Hudson's Bay Co.

TORONTO (Reuters). — The Hudson's Bay Company, Canada's biggest department store concern, has reported a loss of 166.4 million (Canadian) dollars (U.S.\$125.5 million) for the first nine months of the year and predicted that a Christmas spurge would be insufficient to produce a 1984 profit.

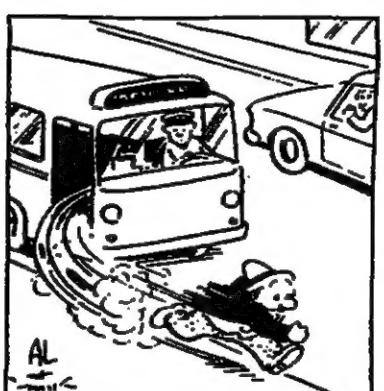
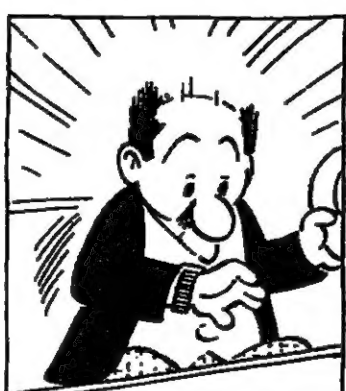
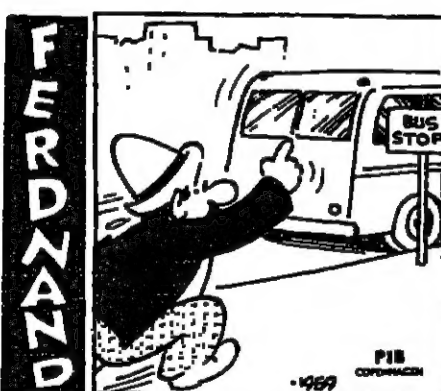
The company lost 17.9 million Canadian dollars (U.S.\$13.5 million) last year.

The company said it expected

management action taken this year affecting marketing, expenses and organisation to have a positive impact on 1985 results.

Hudson's Bay, which operates several department store chains, said its retail sales rose 7.9 per cent during the first nine months, to Can.\$3.25 billion (U.S.\$2.4 billion).

But the company said the earnings of its three major chains were all lower than last year because of poor economic conditions in Western Canada and intense competition.



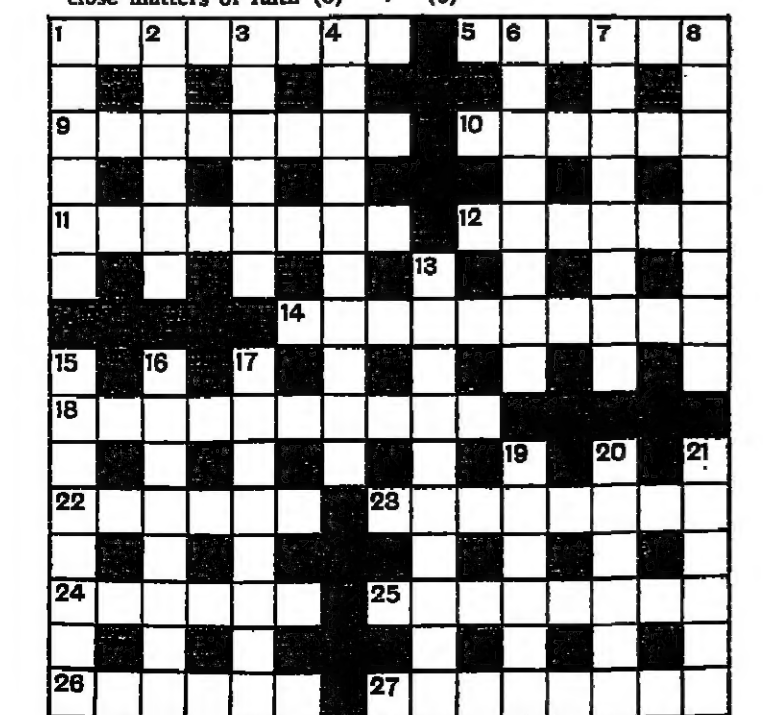
## ONE-AND-ONE CROSSWORD

**ACROSS**

- Put your money on reserve fund, it'll make the chairman feel easier (8)
- There's not much odder than what's under the ribes grossularis (6, 8)
- An actor's foil goes to pieces (6)
- Historic periods can be wiped out (8)
- Animal healer bottling oil mixture of purplish hue (6)
- Display a pullover that might win a prize at Hickstead (4, 6)
- He's always complaining of an intake that's upset the works (5-5)
- The first delivery that should get the drinks flowing (6)
- How the cosmos began, it is thought by a sizeable fringe (1, 3, 4)
- Scantly covered attorney-general plunging into the lake (6)
- He might put you in your place in church (8)
- Reeled about and looked in a rather bad way (6)
- Desperately cared about close matters of faith (8)

**DOWN**

- Hound the arty graduates' clique? (6)
- A singular example of 20 (6)
- Fugitive loses heart but makes the air-strip (6)
- What the soldier might feel when army big shot goes for his Rhine wine? (5-5)
- A kind of plot to fascinate (8)
- Scandinavian goblin Poe changed into a Victorian novelist (8)
- English clergymen who put up buildings? (8)
- It might be gently smoked out of the hedge (5-5)
- A black standard that doesn't conform to rule (8)
- What has poor Ali eaten to drive his friends away? (8)
- My word! How that fire-breather came to grief! (2, 6)
- A sin that nobody will deny (6)
- Motorists noted by Bizet (6)
- It programmes the meeting (6)



## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

Jerusalem: Kerem Avraham, 19 Zefania, 286950. Baisan, Saba Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Dar Aldawa, Herod's Gate, 282058. Tel Aviv: Yehuda Hamaccabi, 42 Yehuda Hamaccabi, 455198. Kupat Holim Leumi, 4 Hefman, 26271. Netanya: Not available. Haifa: Meuhedet, Simat Atir, 644231.

### DUTY HOSPITALS

Jerusalem: Biker Holim (pediatrics), Hadassah E.K. (internal, surgery, orthopedics, E.N.T.), Hadassah M.S. (gynecology), Share Zelek (ophthalmology). Tel Aviv: Pithak (pediatrics, internal, surgery). Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).

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03-381111 (20 lines)

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Ashkelon 23333 Kiron 34442  
Bat Yam 585553 Kiryat Shmona 44334  
BeerSheva 78333 Nahariya 92333  
Caesarea 98855 Netanya 23333  
Dan Region 781111 Petah Tikva 923111  
Eilat 72333 Rehovot 51333  
Hadera 22333 Rishon LeZion 94233  
Haifa 512233 Safed 30333  
Holon 80333 Tel Aviv 240111  
Tiberias 90111  
Mobile Intensive Care Unit (MICU) service in the area around the clock.  
101 Emergency phone number in most areas.  
Rape Crisis Centre (24 hours), for help call Tel Aviv 234819, Jerusalem - 810110, and Haifa 6979.  
"Erim" - Mental Health First Aid, Tel. Jerusalem 669911, Tel Aviv 261111/2, Haifa 672222, BeerSheva 418111, Netanya 35316.  
For information on Battered Women Shelters call Family Violence Service - 03-231679/239922 or any of the Rape Crisis Centre or Erim hot lines.  
Jerusalem Center for Drug Abuse and Misuse Intervention, Tel. 603628, 603902.  
14 Bethlehem Rd.

### POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444. Kiryat Shmona 4444.

**CHINESE MONEY.** — A high-level Chinese financial delegation has left for Kuwait, the United Arab Emirates, Oman and Bahrain to seek closer business ties and more cooperation in investment, the New China News Agency said this week.

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## THE JEWISH AGENCY

Israel Education Fund of the United Jewish Appeal

TENDER NO. 81/516/84

- The Jewish Agency (hereinafter the Agency) invites tenders from building contractors for the construction of **THE HELLER PREKINDERGARTEN-NURSERY IN NAHARIYA**.
- The projected construction is approximately 400 sq. m.
- Conditions of the tender as well as all other pertinent information can be obtained from Monday, December 3, 1984 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9.00 - 12.00 noon, against a non-refundable deposit of 1525.000.
- A special tour of the construction site for contractors will be held on Wednesday, December 12, 1984 departing at 12 noon from the Engineer's office at the Nahariya Municipality.
- Bids should be submitted not later than 1.00 p.m. on Wednesday, January 9, 1985 at the address mentioned in paragraph 3 above.
- This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1968, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
- The Agency does not undertake to accept the lowest, or any other bid.

81/516/84

**Jewish Medical Law**  
Avraham Steinberg M.D.

What is the Jewish law regarding contraception, organ transplants, human experimentation, Sabbath desecration, dietary laws and medical confidentiality? These are only a few of the questions answered in JEWISH MEDICAL LAW. The concise laws presented are based on Rabbi E.Y. Waldenberg's multi-volume Tzitz Eliezer. Ideal for those in the medical, legal and rabbinic professions.

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# Money Matters

## How the United Kibbutz Movement views the economy

# Call for rigid controls to boost production

**By MACABEE DEAN**  
**TEL AVIV.**—The United Kibbutz Movement yesterday called on the government "to initiate the broad use of administrative measures to return to a rigidly controlled economy, which would funnel public resources into stepping up production."

Yosef Perlmutter, general secretary of the movement, and Eli Zamir, of its secretariat, told a press conference that "the need to rebuild the economy, as a result of seven years of Likud administration, required severe measures and unusual methods."

Although the speakers welcomed the package deal, they pointed out that it was only meant to give the government a breathing space to work out a detailed plan and to begin closing the gap between consumption and expenditures in the public sector. They said that expenditures were 15 per cent (or \$2.5 billion) a year higher than income at present.

They also thought that a considerable sum could be pared from the

security budget.

Moreover, social welfare benefits must be adjusted to the country's ability to pay, "after taking into consideration that additional burdens could be placed on the top 40 per cent of the population which was well off. This income from the upper 40 per cent could be used to help the lower 20 to 30 per cent of the population."

The United Kibbutz Movement was against dismissals, preferring instead to shorten the work week, they said. However, the movement wanted a sharp reduction in services, with those presently employed there being retrained for productive work.

An effort should be made to increase savings, with the emphasis put on long-term schemes, and with the proceeds going to productive fields. However, "every effort should be made to reduce the speculative sector of the economy, which was not only destructive to the entire economy, but deprived the government of the ability to conduct a sound financial policy."

Perlmutter charged that the self-employed were not carrying a fair part of the tax burden, and he wanted the government to collect more money from them. This could be done by a compulsory loan on the "high-income group" (he did not define actual income levels), as well as increasing taxes on luxuries.

Turning to the 175 kibbutzim in the movement, he noted that 45 were in dire financial straits, running a total deficit of \$30 million last year. However, since the remaining 130 kibbutzim had had a surplus (after all taxes), help had been extended "to these members of our kibbutz family."

The 45 kibbutzim included both young and very old ones, he said, and they suffered from a lack of productive means, both in the areas of agriculture and industry.

The total population of member kibbutzim was 80,000. Despite this small "base," the movement had managed to absorb 2,500 newcomers last year, most of them adults.

Zamir pointed out that the kibbut-

zim could no longer be considered a place where the jobless could be absorbed. "We were able to do this in the 1950s, since our production means required outside workers, but today the situation is different."

All the kibbutz movements at present employ some 3,500 outside workers within the kibbutzim proper; another 6,000 outside workers are used to help maintain regional joint undertakings, such as packing houses.

Due to the present economic situation the movement may be forced to lay off some of its hired hands, but "the number would not run at more than two hundred."

There had been a sharp drop in sales in two sectors; factories working for the construction industry, and in quarrying, where demand had dropped by 50 per cent.

But in the other industrial undertakings, it was planned to step up production wherever possible. "We plan to increase exports by 30 per cent in the current year, from \$192m. to \$240m.," Perlmutter said.

## UK unemployment hits record 3,103,200

LONDON (AP). — Britain's seasonally adjusted unemployment rate hit a record high of 3.103.200, or 12.9 per cent of the work force in November. The Department of Employment said last week.

Department officials said they believe the increase of 3.500 unemployed in November was understated and that unemployment is continuing to rise at a rate of 10.000 to 15.000 a month, the same rate that has been recorded for most of the year.

## Jobless not attracted

By YITZHAK OKED

TEL AVIV. — People out of a job are not rushing to work in the orchards as the citrus harvest goes into full swing. Elisha Cohen, the secretary-general of the agricultural workers union, told *The Jerusalem Post* here yesterday that there is a need for about 15,000 additional workers during the citrus picking season, which continues till the end of next April. This is on top of the 7,000 regular workers employed in this

## New 'Captain' information system tried out in Japan

**TOKYO (AP).**—A new information service called the Character and Pattern Telephone Access Information Network (Captain) system, was inaugurated in Japan Friday, enabling users to get data communications sent through telephone lines.

Captain Service Co., jointly set up by Nippon Telephone & Telegraph Public Corp. (NTT), news media and other private companies, said the service combines existing com-

Company officials said about 3,400 programmes covering news, daily life information, shopping and leisure guides, will enable people in the Tokyo and Osaka areas to shop, bank, study, read the newspaper and even make seat reservations for concerts and plane flights on their televi-

## d to orchards

The officials said the company has contracted with 1,700 users in the two areas, including 200 homes, most of them test monitors. They said the company plans to expand the service to Nagoya in southwestern Japan next year, and to all major cities across Japan by 1987.

The users have adaptors, costing 200,000 yen (\$813), hooked to their television sets. They pay 800 yen (\$53.25) in contract fees and 30 yen (12 cents) per three-minutes of circuit use, irrespective of distance.

NTT is spending 20 billion yen (\$81 billion) on the programme. But the entire project, encompassing

the entire project encompassing most of Japan by 1995, might cost NTT as much as \$130b., according to company officials.

**NOTICE**  
Due to circumstances beyond our control the Tel Aviv Stock Exchange 'Market Comment' column was not received last night.

## Capitalists becoming partners of communists

governments of Comecon, the Soviet-led Communist Economic Community, had laws offering joint business venture arrangements to western companies. The latest Marxist-run countries to open their doors—Cuba and North Korea. Communist-capitalist businesses include a computer-parts factory in Rumania, a beach resort in China and a chemical plant in Hungary.

"It's a trend," said Canadian economist Carl H. McMillan, who has studied the growth of joint ventures.

"The holdouts are the ideologically conservative countries, the Soviet Union among them," he said. "But I wouldn't rule it out for the Soviets . . . there are signs they may be ready to go."

The most aggressive country of

in enterprises utilizing the latest technology," said McMillan, of Ottawa's Carleton University.

Some do need the money. When Cuba adopted its joint-venture law in February 1982, Fidel Castro's government said it envisioned enterprises that would bring in "more financial resources, raw materials, technologies and markets than we have available."

Yugoslavia, an innovator among Marxist states, enacted the first joint-venture law in 1970. Since then, eight other communist governments have followed - Comecon members Hungary, Rumania, Poland, Bulgaria, Cuba and Vietnam, and non-members China and North Union, East Germany, Czechoslo-

attracting foreign investment, has 11 joint ventures. The government in 1983 liberalized conditions for foreign investment, exempting foreign partners from customs, trade and currency regulations.

Cuba is focusing on possible foreign development of a resort complex on Cayo Largo Island. West German consultants are soon to complete a development proposal.

Economists say the Cubans must establish labour-intensive manufacturing industries to create new jobs. Havana officials promote the communist island to foreign investors as politically stable, with high education levels, low wages and no strikes. But no deals have been reported.

The U.S. trade embargo, which

Problems, from the practical to the ideological, persist for the outside investor.

The U.S. computer maker Control Data says it is happy with its joint-venture plant in Rumania, a 200-employee facility that produces \$12 million in annual revenues. But Control Data's vice president for international trade, Hugh Donaghue, said the communist bureaucracy can be unresponsive.

Western businessmen grumble, too, about such everyday problems as obtaining telephone service and finding good local materials, and about low worker productivity. One French company with a plant in Poland imports western consumer goods as incentive "pay" for its Pol-

### Tel Aviv Stock Exchange daily price quotations

Change	Volume	Value	%	Change	Volume	Value	%	Change	Volume	Value	%	Change	Volume	Value	%
	100,000	\$100,000	%		100,000	\$100,000	%		100,000	\$100,000	%		100,000	\$100,000	%
<b>Commercial Banks</b>															
(not part of "arrangement")															
OHF r	7290	+80	+10.0												
Maritime I	2739	127	+0.0												
Maritime S	740	321	+5.7												
Gen non-arr	4680	32	+0.1												
N. Amer. r	891	241	+6.0												
N. Amer. S	1917	400	+0.1												
N. Amer. op	3737	431	+0.4												
Danot I	474	b.o.i.	+5.1												
Danot 2	119	277b	+4.2												
Danot 2c	293	+0.1	+5.0												
FirstNat S	853	3519	+10.0												
FBIH	764	2382	+8.5												
<b>Commercial Banks</b>															
(part of "arrangement")															
IDB r	23370	749	+4.1												
IDB B r	24000	1	+0.3												
IDB p A	146000	0	+0.7												
LA 17552	211	+4.2													
Laumont B	30100	0	+0.8												
Discount A	29950	89	+4.2												
D. B. Gen	3620	66	+5.2												
Muzarrh r	6545	1285	+2.4												
Muzarrh S	787	882	+2.9												
Mizrahi Gen	4570	121	+3.3												
Hapoim p A	22770	1	+2.0												
Hapoim B	13490	1384	+2.2												
Hapoim B	15566	172	+2.7												
Gen enS	not trading														
Gen1 A	40350	32	+2.0												
Gen1 B	99500	3	+0.9												
Gen1 C	40000	9	+4.2												
Gen1 cS	30955	26	+4.0												
Gen1 cS r	1900	48	+2.0												
Gen1 cS S	10300	2169	+3.0												
Leumi Gen r	14000	34	+5.2												
Leumi Gen I	3850	30	+3.7												
<b>Hotels, Tourism</b>															
GalZohar I	not trading														
GalZohar S	not trading														
DanotHotel I	not trading														
DanotHotel S	not trading														
Coral Beach	Kenes	483	b.o.i.	+5.0											
Yarden Hotel	Kenes	520	140	+3.3											
Yarden Hotel	1000	55	+4.9												
Yarden Hot	509	40	+3.5												
Yabalom op	191	b.o.i.	+4.9												
Yabalom op	287	170	+14.8												
<b>Computers</b>															
Danot	570	17	+9.6												
Hivn I	1315	20	+4.8												
Hivn S	2105	3	+3.4												
Ya-nac	480	b.o.i.	+5.0												
Ya-nac op	289	b.o.i.	+9.7												
Clad Comp	962	12	+5.0												
Clad Op	412	b.o.i.	+11.7												
M.L.L. I	3415	10	+5.0												
M.L.L. S	939	100	+6.0												
M.L.L. op	1007	14.1	+5.2												
Mashov	375	23	+4.4												
Nakur I	539	25	+14.9												
Nakur S	359	62	+6.4												
Nakur op	359	+6.5	+5.5												
Team I	1309	19	+10												
Team op	925	10	+5.1												
<b>Real Estate, Building</b>															
Gind I	1195	117	+1.2												
Gind S	881	129	+1.4												
Oren	227	419	+8.6												
Oren op	68	319	+9.9												
Azorim	520	1471	+8.3												
Azor op	419	442	+10.6												
Elion	66	1161	+10.3												
Elion op	68	106	+13.2												
Elv-Rov I	307	b.o.i.	+5.1												
Elv-Rov S	171	b.o.i.	+4.9												
<b>Asses</b>															
Angel	50691	10	+5.0												
Shemen p	1249	145	+8.6												
<b>Textiles and Clothing</b>															
Ador	610	5	+4.5												
Adur op	200	5	+4.5												
Ofis	311	b.o.i.	+7.1												
Opis	205	b.o.i.	+7.1												
Baruch I	765	50	+10.0												
Baruch S	100	+4.8	+4.8												
Baruch op	109	625	+3.0												
Alaska I	not trading														
Alaska S	not trading														
Eitan I	506	b.o.i.	+5.0												
Eitan op	426	b.o.i.	+4.0												
Argamran r	908	9	+10.1												
Alta B I	not trading														
Alta C B I	not trading														
Ata op	not trading														
Delta G I	1133	391	+10.0												
Delta G S	1185	337	+9.7												
U Spumers	113	50	+10.2												
U Spumers	113	50	+10.2												
Spn op	39	150	+18.2												
Viaglo I	264	340	+10.1												
Viaglo S	147	b.o.i.	+5.0												
Viaglo op	178	331	+7.7												
Wardman	20	50	+6.4												
Zikard I	470	25	+3.0												
Zikur S	88	150	+4.8												
Tip Top I	102	—	—												
Tip Top op	34	b.o.i.	+10.2												
Yupik I	72	7	+10.0												
Lodzia I	139	—	—												
Lodzia H S	34	2478	+10.1												
Lipat	108.5	506	+10.2												
Yupik op	227	22	+7.7												
MIF Gluco	465	24	+3.1												
Gluco op	215	29	+15.0												
Gal Ind I	194	222	+10.0												
Gal Ind S	740	435	+9.7												
Deter	702	166	+6.4												
Fertid I	5040	10	+5.3												
Fertid S	1900	453	+9.0												
Haatach	1444	b.o.i.	+5.0												
Tevit	6665	106	+5.6												
Tevit op	852	206	+9.0												
Lapka	610	5	+4.5												
Lapka op	241	5	+4.5												
Dead Sea r	6750	147	+6.5												
Jenot I	852	206	+9.0												
Mavima I	600	525	+10.1												
Mavima S	257	b.o.i.	+4.9												
Mavima op	242	b.o.i.	+9.0												
Neco Chem	861	69	+9.1												
Neco Chem	861	69	+9.1												
Savit S	750	40	+7.7												
Nodem	not trading														
Kedem	not trading														
T.G.L. I	131	27	+5.1												
T.G.L. S	129	90	+10.0												
Tava	2089	27	+0.0												
Frutman	4203	b.o.i.	+5.0												
Taro	1001	108	+1.1												
<b>Wood, Paper, Printing</b>															
Datron I	600	80	+1.9												
Datron S	430	115	+1.9												
Haman I	682	—	—												
Haman op	371	104	+17.5												
Yach I	455	157	+6.3												
Yach S	552	50	+13.7												
Ashkesh	230	100	+2.2												
Ash op	76	1212	+11.3												
Muilei	1832	10	+0.6												
Paper Mills	2440	0	+0.6												
ScandI op	335	107	+15.9												
ScandI op	335	107	+15.9		</										

"It is not so much a matter of needing the money, but of needing know-how, of gaining a partnership

Through the 1970s, joint ventures generally were limited to service businesses. But, beginning with Hungary in 1979, the capitalists have been allowed to invest in factories as well.

Similarly, the earlier laws put a 49 per cent ceiling on the western partner's share, leaving the host government with majority control. But that is changing: China said recently it would accept 100 per cent foreign-owned enterprises, and the Bulgarians specify no limit.

Hungary, regarded as the most successful East European nation in

The U.S. State Dept. says the cuts Cuba off from its natural nearby market, is one factor discouraging investors.

Yugoslavia is debating a liberalized law, possibly taking effect this winter, that would allow foreigners a majority stake in joint ventures.

In China, under leader Deng's "socialism with Chinese characteristics," elements of free enterprise have been introduced in agriculture and industry, and western business partners are sought out.

Some examples: the R.J. Reynolds Tobacco Co. will produce

ish workers.

Ideologically, investors realize the new wave could be reversed. Marxist purists in China are clearly disturbed by the capitalist invasion.

Despite the problems, the movement is clearly toward joint ventures. The passage of an investment law by ideological hard-liner North Korea in September may have been the best evidence of it.

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**Opel Kadett named Car of the Year**

PARIS (Reuter). — The Opel Kadett

Fin. Trade 3	15900	7	+0.7	Ammonia	Ammonia
Fin. Trade 5	7001	21	n.e.	Ammonia	Ammonia
<b>Mortgage Banks</b>				Alfor 1e	Alfor 1e
Adams 0.1	1672	3	+10.0	Alfor 4p	Alfor 4p
Gen Mort 1	1316	304	+1.5	Arizum	Arizum
Gen Mort 3	1300	1	n.e.	Arizum	Arizum
Gen Mort 5	2200	73	+10.0	Arizum	Arizum
Carmel del	787	150	n.e.	Arizum	Arizum
Buyan	882	—	—	Arizum	Arizum
Dev. Mort	770	1289	+10.0	Arizum	Arizum
Mishan 1	1500	33	+7.1	Arizum	Arizum
Independence	1007	26	+10.1	Arizum	Arizum
Tefalot 1	2031	278	+7.1	Arizum	Arizum
Tefalot 2	1089	100	+0.3	Arizum	Arizum
Tefalot 2	1055	542	+3.5	Arizum	Arizum
Jayoum 1	253	306	+10.0	Arizum	Arizum
Jayoum 2	303	117	+0.9	Arizum	Arizum
Jayoum 3	153	—	—	Arizum	Arizum
Metav 1	720	103	+7.0	Arizum	Arizum
<b>Financial Institutions</b>				Arizum	Arizum
Shelton	317	1440	+10.1	Arizum	Arizum
Shul 0.1	200	—	—	Arizum	Arizum
Shul 0.2	200	—	—	Arizum	Arizum
Shul 0.3	200	—	—	Arizum	Arizum
Shul 0.4	200	—	—	Arizum	Arizum
Shul 0.5	200	—	—	Arizum	Arizum
Shul 0.6	200	—	—	Arizum	Arizum
Shul 0.7	200	—	—	Arizum	Arizum
Shul 0.8	200	—	—	Arizum	Arizum
Shul 0.9	200	—	—	Arizum	Arizum
Shul 1.0	200	—	—	Arizum	Arizum
Shul 1.1	200	—	—	Arizum	Arizum
Shul 1.2	200	—	—	Arizum	Arizum
Shul 1.3	200	—	—	Arizum	Arizum
Shul 1.4	200	—	—	Arizum	Arizum
Shul 1.5	200	—	—	Arizum	Arizum
Shul 1.6	200	—	—	Arizum	Arizum
Shul 1.7	200	—	—	Arizum	Arizum
Shul 1.8	200	—	—	Arizum	Arizum
Shul 1.9	200	—	—	Arizum	Arizum
Shul 2.0	200	—	—	Arizum	Arizum
Shul 2.1	200	—	—	Arizum	Arizum
Shul 2.2	200	—	—	Arizum	Arizum
Shul 2.3	200	—	—	Arizum	Arizum
Shul 2.4	200	—	—	Arizum	Arizum
Shul 2.5	200	—	—	Arizum	Arizum
Shul 2.6	200	—	—	Arizum	Arizum
Shul 2.7	200	—	—	Arizum	Arizum
Shul 2.8	200	—	—	Arizum	Arizum
Shul 2.9	200	—	—	Arizum	Arizum
Shul 3.0	200	—	—	Arizum	Arizum
Shul 3.1	200	—	—	Arizum	Arizum
Shul 3.2	200	—	—	Arizum	Arizum
Shul 3.3	200	—	—	Arizum	Arizum
Shul 3.4	200	—	—	Arizum	Arizum
Shul 3.5	200	—	—	Arizum	Arizum
Shul 3.6	200	—	—	Arizum	Arizum
Shul 3.7	200	—	—	Arizum	Arizum
Shul 3.8	200	—	—	Arizum	Arizum
Shul 3.9	200	—	—	Arizum	Arizum
Shul 4.0	200	—	—	Arizum	Arizum
Shul 4.1	200	—	—	Arizum	Arizum
Shul 4.2	200	—	—	Arizum	Arizum
Shul 4.3	200	—	—	Arizum	Arizum
Shul 4.4	200	—	—	Arizum	Arizum
Shul 4.5	200	—	—	Arizum	Arizum
Shul 4.6	200	—	—	Arizum	Arizum
Shul 4.7	200	—	—	Arizum	Arizum
Shul 4.8	200	—	—	Arizum	Arizum
Shul 4.9	200	—	—	Arizum	Arizum
Shul 5.0	200	—	—	Arizum	Arizum
Shul 5.1	200	—	—	Arizum	Arizum
Shul 5.2	200	—	—	Arizum	Arizum
Shul 5.3	200	—	—	Arizum	Arizum
Shul 5.4	200	—	—	Arizum	Arizum
Shul 5.5	200	—	—	Arizum	

241	221	+0.0	Maquette 1	1223
311	311	+2.7	Maquette 5	2024
321	321	+0.3	Maquette 1	2223
2396	140	+6.7	Maquette 1	1462
820	150	+17.3	Emite	4042
26	0.2	+4.8	Polpaig U 1	2420
126	0.2	+10.5	Polpaig U 4	1273
103	1.1	n.c.	Polpaig U 5	3223
609	35	+5.7	Pargod	2042
710	20	+0.9	Pargod op 1	124
428	298	+10.0	Schoell	1045
208	460	+1.1	Rogson	1045
115	115	+0.7		
232	73	+0.4		
116	679	n.c.		
70	50	+0.7		
<b>Metals and Metal</b>				
			Octapen	265
			Octapen op 2	6242
1519	40	+10.0	Undan U 16	2029
729	100	+10.0	Undan U 17	3170
1060		+1.9	Undan op 1	1520
1287	20	+10.0	Claber's	877
420	420	+10.1	Hatehof 1	877
1230	1613	+8.5	Hatehof 5	270
4565	140	+10.0	Is-Cat 1	793
2713	240	+5.0	Is-Cat 2	203
			Allegat	203

	1987	1988	1989	1990
16	+5.0			+5.7
10	+1.0			+1.0
109	+0.0			+0.8
45	+5.5			
62	n.c.			
568	n.c.			
201	+0.0			+5.8
201	+0.0			+1.7
	n.c.			
138	+0.0			+0.2
113	+1.0			+1.0
<b>products</b>				
155	+4.7			+4.9
	n.c.			
26	+0.0			+5.0
10	+5.0			+5.9
10	+5.0			+5.9
10	+4.9			+4.9
124	+7.5			+1.1
10	+0.0			+0.0
64	+0.0			+0.0
<b>Miscellaneous Industries</b>				
Alumini	184.5	15	+6.8	
Alumini	3	77.5	n	
Androp	814	n		
Androp	2100	5	+5.8	
Androp	5	190.5	15	+0.0
Androp	280	40.0	+1.7	
Five J	1077	40.0	+1.0	
Five J	572	40.0	+0.2	
Five J	2793	40.0	+0.0	
Zakus	42.5	40.0	+1.0	
Pollai	1901	40.0	+4.9	
Pollai5	64	40.0	+5.0	
<b>Industrial Investment</b>				
Central Tr	5302	40.0	+5.0	
Clud	n	no trading		
Kierp	9	50.0	+4.9	
Clud op	7033	13	+0.0	
Clud op	55	40.0	+4.9	
Tech op	55	40.0	+4.9	
<b>Investment Companies</b>				

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CURRENCY BASKET			PURCHASE	SALE	
"DOLLAR PAZ", 1 UNIT			1725.9111	1747.4463	
"EURO PAZ", 1 UNIT			1880.4496	1963.9138	
E.D.R.			575.2960	585.4742	

FOREIGN CURRENCY EXCHANGE RATES				FOR 2.12.84		
COUNTRY	CURRENCY		CHEQUES AND TRANSACTIONS	BANKNOTES		
			PURCHASE	SALE	PURCHASE	SALE
U.S.A.	DOLLAR	1	582.7146	589.9854	577.5500	598.0800
GREAT BRITAIN	STERLING	1	696.6353	705.3275	690.4600	715.0000
GERMANY	MARK	1	186.8271	198.1585	185.1700	191.7500
FRANCE	FRANC	1	61.0972	61.8595	58.4300	62.7100
HOLLAND	GULDEN	1	166.0155	168.0870	164.5400	170.3900
SWITZERLAND	FRANC	1	227.4451	230.2831	225.4200	233.4400
SWEDEN	KRONA	1	66.0749	66.8994	64.6300	67.8200
NORWAY	KRONE	1	65.1623	65.9754	63.7400	66.8800
DENMARK	KRONE	1	52.0164	52.6655	50.8800	53.3900
FINLAND	MARK	1	90.4976	91.6269	88.5200	92.8800
CANADA	DOLLAR	1	439.7846	445.2720	432.3900	451.3800
AUSTRALIA	DOLLAR	1	498.0892	504.3041	475.9000	515.8200
SOUTH AFRICA	RAND	1	313.4559	317.2671	264.0700	323.2100
BELGIUM	FRANC	10	93.2343	94.3977	—	—
AUSTRIA	SCHILLING	10	266.0797	269.3997	263.7200	273.1000
ITALY	LIRE	1000	303.1813	306.9643	296.9700	311.1800
JAPAN	YEN	100	235.3451	238.2871	233.2500	241.5500

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**DWELINGS**

was named car of the year last week, beating the Renault 25 and Lancia Thema in a poll of 51 motoring journalists from 16 European countries.

The Kadett scored 326 points, the Renault 267 and the Lancia 191. The Honda Civic, fourth with 178 points, was the first of seven Japanese cars that made the 13-strong classification.

The annual poll was first held in 1965, when it was won by the Rover 2000. Last year's winner was the Fiat Uno. The French sports daily *L'Equipe*, one of six European publications that organized the poll, published the results.

[illegible]

5320	145	+3.4	Mirvon op	131
5342	6	-10.6	Sdom Met 1	400
2740	300	+2.2	Sdom op	258
681	82	n.c.	ZionCabl 5	11551
525	0	-3.9	Kadman 1	281
240	n.o.i.	+5.1	Kadman 5	95
303	1559	+3.4	Neuchsh n.1	903
300	not adding		Neuchsh n.5	251
379	43	+7.4	Arad	644
125	1427	+0.2	Arad op	540
91	280	n.c.	Pesher	673
180	n.a.		Kine 1	1040
190	n.a.		Kine 5	515
420	21	+2.2	Kill 1	1633
171	716	+2.9	Kill 5	1036
37	303	+10.0	Shelido	840
1850	44	n.c.	Shelido op	891
1780	n.c.		Lachsh 1	92
1150	n.c.		Lachsh 5	265
350	n.o.i.	+4.5		
529	740	-9.9		
130	240	+9.3		
175	740	n.c.		

351	+3.4	Unifort	729	+3.5	
352	na	Unifort	730	+1.0	
353	na	Unifort	731	+0.1	
354	+0.0	Incuba 0.1	732	+0.1	
355	+0.0	Incuba 0.5	734	+5.1	
356	na	Elgar	739	+3.3	+0.1
357	na	Elearb	740	2	-1.9
358	+0.0	Elern	742	na	+5.0
359	na	Elern	747	na	+1.0
360	+0.1	Amusar	754	0	+2.0
361	+0.0	Affix 1	792	3	+1.3
362	+0.1	Affix 5	793	na	+0.0
363	+0.1	Gabriel	795	na	+5.0
364	+0.1	Gabriel	796	na	+5.0
365	+0.1	Wolff 1	800	0	+0.2
366	+0.0	Wolff 1	801	0	+0.2
367	+0.0	Wolff 1	802	0	+0.2
368	+0.0	Wolff 1	803	0	+0.2
369	+0.0	Wolff 1	804	0	+0.2
370	+0.0	Wolff 1	805	0	+0.2
371	+0.0	Wolff 1	806	0	+0.2
372	+0.0	Wolff 1	807	0	+0.2
373	+0.0	Wolff 1	808	0	+0.2
374	+0.0	Wolff 1	809	0	+0.2
375	+0.0	Wolff 1	810	0	+0.2
376	+0.0	Wolff 1	811	0	+0.2
377	+0.0	Wolff 1	812	0	+0.2
378	+0.0	Wolff 1	813	0	+0.2
379	+0.0	Wolff 1	814	0	+0.2
380	+0.0	Wolff 1	815	0	+0.2
381	+0.0	Wolff 1	816	0	+0.2
382	+0.0	Wolff 1	817	0	+0.2
383	+0.0	Wolff 1	818	0	+0.2
384	+0.0	Wolff 1	819	0	+0.2
385	+0.0	Wolff 1	820	0	+0.2
386	+0.0	Wolff 1	821	0	+0.2
387	+0.0	Wolff 1	822	0	+0.2
388	+0.0	Wolff 1	823	0	+0.2
389	+0.0	Wolff 1	824	0	+0.2
390	+0.0	Wolff 1	825	0	+0.2
391	+0.0	Wolff 1	826	0	+0.2
392	+0.0	Wolff 1	827	0	+0.2
393	+0.0	Wolff 1	828	0	+0.2
394	+0.0	Wolff 1	829	0	+0.2
395	+0.0	Wolff 1	830	0	+0.2
396	+0.0	Wolff 1	831	0	+0.2
397	+0.0	Wolff 1	832	0	+0.2
398	+0.0	Wolff 1	833	0	+0.2
399	+0.0	Wolff 1	834	0	+0.2
400	+0.0	Wolff 1	835	0	+0.2
401	+0.0	Wolff 1	836	0	+0.2
402	+0.0	Wolff 1	837	0	+0.2
403	+0.0	Wolff 1	838	0	+0.2
404	+0.0	Wolff 1	839	0	+0.2
405	+0.0	Wolff 1	840	0	+0.2
406	+0.0	Wolff 1	841	0	+0.2
407	+0.0	Wolff 1	842	0	+0.2
408	+0.0	Wolff 1	843	0	+0.2
409	+0.0	Wolff 1	844	0	+0.2
410	+0.0	Wolff 1	845	0	+0.2
411	+0.0	Wolff 1	846	0	+0.2
412	+0.0	Wolff 1	847	0	+0.2
413	+0.0	Wolff 1	848	0	+0.2
414	+0.0	Wolff 1	849	0	+0.2
415	+0.0	Wolff 1	850	0	+0.2
416	+0.0	Wolff 1	851	0	+0.2
417	+0.0	Wolff 1	852	0	+0.2
418	+0.0	Wolff 1	853	0	

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French FR	9.4830/9.4950		per \$
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US\$	0.9830/0.9900		per SDR
GOLD:\$329.00			
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Phoenix 0.5	966	229	+15.9	Sahar H
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Hamish 2	2050	5	n.c.	Sahar H
Hamish op	2720	0	n.c.	Sahar H
Yarden 0.1	573	0	n.c.	Sahar op
Yarden 0.5	220	b.o.2	+4.8	Sahar op
Yat op 1	122	381	+8.0	AlfEisler
Menorah 1	9053	17	+10.0	Prinz
Menorah 2	1835	46	+10.0	Casareanu
Sahar 5	619	0	+4.1	Casareanu
Securitas 7	1011	245	+1.9	Rubinfeld
Zur 7	905	b.o.1	+5.0	Rubinfeld
Zur H 1	1323	105	n.c.	Rogovin
Zur H 5	308	46	n.c.	Rogovin
				Rogovin
				Russo
				Russo
				Agreus
Trade				Agreus
InterGam 1	790	52	+4.0	Hadar 0
InterGam 2	189	b.o.2	+5.9	Hadar 0
InterGam op	79	b.o.1	+12.0	Hadar 0

95	249	+1.0	Ellet op	26700
4915	49	+5.0	Ellet 0.25	863
720	720	+0.0	Ellet 0.25	53
1231	85	+0.0	Ellet 0.25	497
655	56	+2.0	Electra 0.1	5430
1965	720	+10.0	Electra 0.5	2200
305	—	—	Electra op	1881
144	—	—	Elton	18300
49	—	—	Elton	8015
1666	248	+1.0	Ami op	8915
811	36	+1.2	Clad Ellet	4170
—	—	—	Spectra 1	5050
189	b.o.i.	+5.0	Spectra 5	2630
72	b.o.i.	+5.1	Spec op	6943
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169	20	+3.1	Feudaw	237
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1800	141	+3.7	Cyclone 5	51
1730	126	+4.8	KatzAd 1	466
1640	x	+3.2	KatzAd 5	208
—	—	—	T A T 1	249
—	—	—	T A T 5	1385
—	—	—	T A T op	2145
—	—	—	Tedex	1745
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Crytob 1	6300	1.0	-	Indust
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Delch r	2550	10	+6.8	Gold op
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Lghnt. 0.5	850	280	+8.8	Sanizkol
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GoldSt0.1	10856	4	+8.0	Pr-Ze 2
		no trading		Pr-Ze 5
BondW 0.1	1405	103	+7.7	Tempo 5
BondW 0.5	578	81	+2.9	

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7298	b.o.i.	+0.0		
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1469	b.o.i.	+5.0	I.P. Ind.	3.0
253	lab	+0.8	Alkol	46.3
			Alkol op	181
			Ackeren 5	104.0
1330	b.o.	+4.3	Tador	1
887	b.o.i.	+6.9	Tador 1	1
125	325	+9.6	Barton	1
50	641	+28.2	Tadon 5	425
225	b.o.i.	+5.9	Barton 5	162
79	b.o.i.	+5.3	Barton op	102
84	b.o.i.	+5.0	Hamasul 1	162
3070	225	+6.0	Hamasul 5	180
3102	225	+10.0	Hamas op	184
730	151	+3.4	Trombs 1	171.0
430	196	+4.0	Trombs 5	177
1230	33	+10.0	M.L.T. 1	275
70	b.o.	n.e.	M.L.T. 5	144
660	67	n.e.	Modul Ind.	174
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705	1113	+1.0	Wellman 5	

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Prod	560	50	+0.6
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Tertol op 1	146	47	-13.8
J O E L.	237	945	+4.4
J O op 1	138	281	+0.6
M G N 1	536	213	+4.7
M G N 5	260	228	+0.5
M G N op 1	79	883	+11.1
Sermica 1	163	201	+5.0
Sermica 5	163	201	+0.0
Sermica op 1	120	192	+3.0
Fedoli r	505	505	+0.0
N. Amer 1	200	66.1	+5.5
N. Amer 5	79	66.1	+5.5
N. Amer op 1	49	526	+0.1
N. Am. op 2	49	14	+10.0
Naphia r	10200		+0.0



Ari Rath  
Editor and  
Managing Director

**THE JERUSALEM  
POST**

Erwin Frenkel  
Editor

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## A blunted axe

THE CABINET on Friday solemnly resolved to cut another \$375m. from the budget for fiscal 1985/86. This was on top of the \$700m. that were to be slashed next year within the framework of the billion-dollar-cut decision of some two months ago — and apart from the \$300m. by which public spending was to be reduced in what remained of the current fiscal year.

That earlier decision — which should already have been put into effect — has hardly yet begun to be carried out. This fact may have had something to do with Finance Minister Yitzhak Moda'i's demonstrative abstention in Friday's cabinet vote, in which the additional budget cut he had requested was reduced from \$550m. to \$375m. For had the \$300m. been pared from the budget as planned, the difference between what Mr. Moda'i wanted and the compromise endorsed by the cabinet could not have led the finance minister to the unprecedented step of boycotting the vote.

But if Mr. Moda'i abstained in protest against one specific failure to stick by a budget cutting decision, the other abstention that made Friday's cabinet meeting notable — that of Defence Minister Yitzhak Rabin — raised a serious question about the meaning of budget cuts in general.

Mr. Rabin, who had already agreed to cut another \$100m. from the defence appropriation declined to take part in the vote because his ministry has a dispute with the Treasury over what the size of the existing defence budget is. The Treasury says it is \$2.6b.; the Defence Ministry claims it is \$2.9b. The disputed question is whether the cost of keeping the IDF in Lebanon is included or not.

That dispute may ultimately be resolved, but it is far from clear what the budget really is, even if the Treasury has gone over to stating it in dollars. The accountant-general, it must be remembered, makes his allocations to the various ministries in shekels even if he uses the dollar as the unit of account.

Since there is not, and cannot be, synchronization between the accountant-general's allocations and their disbursement by the ministries, the entire budget, and any cuts in it, become indeterminate. Even with the present reduced rate of inflation and devaluation a few days' delay in the transfer of funds, or difference between allocation and disbursement, amount to as much as the entire budget cuts that are being planned.

As long as cuts are stated in money terms, there can hardly be any effective budget control, short of giving the cuts physical expression, such as the elimination of entire governmental functions and operations.

Individual ministers, not surprisingly, resist the idea, and demand that implementation of whatever cuts they have reluctantly accepted be left to them. But adoption of this procedure will be a sure recipe for annulling most of the planned budget reductions because there will in practice be no way to establish what real expenditure is until after it has been made. Even that will encounter difficulties, as has been made clear in report after annual report by the State Comptroller on the implementation of the budget — even in times when inflation ran at a much slower rate than now.

Unless the Treasury can get the ministries to spell out their budget cuts in terms of departments closed down, classrooms dispensed with, hospital beds eliminated, quantities of medications reduced, flying hours, tank engine hours, ammunition expended in training and maneuvers saved — most of the budget cuts are likely to remain on paper.

## POSTSCRIPTS

**THE OLD GENTLEMAN** was a friendly, gregarious sort. He wanted to buy an apartment in Netanya, and being a friendly real-estate salesman, I was ready to oblige him.

The first two apartments we saw didn't suit him. We go to see number three.

I make the introductions. My buyer is a South African, the seller is an Israeli. The conversation goes like this:

Buyer: How long have you lived in Israel?

Seller: Forty years. How long are you in South Africa?

Buyer: Thirty-eight years. Where did you come from?

Seller: You wouldn't know the place. It was a tiny village in Latvia — probably doesn't exist any more.

Buyer: I lived in Latvia before I came to South Africa!

Me: Did you ever see such a kitchen — so bright and cheerful?

Seller: Really? What was the name of the town?

Me: These bedrooms are unusually large.

Buyer: Marjampole.

Seller: Marjampole! That's where I lived!

Buyer: I can't believe it! Do you remember your neighbours?

Seller: Well, there was Yussel the baker, and Shayne Gittel, and the Abramovitch family, who lived next to the shul.

Buyer: I remember them. We lived across from the shul.

Seller: I don't recall your name.

Buyer: We changed it. It used to be Grossinsky — we shortened it to Gross.

Me: This is quite a neighbourhood. Seller: Of course. I remember Grossinsky — your father sold feed and grain.

Buyer: That's right. And your family must have been the one on the far end of the block.

And so on and on. Did he buy the apartment? We never got to the subject. When I left them, they were in the middle of 1938, on a rainy winter day, mired in the mud of the main street of a Russian shtetl which is no more.

B.B.

**WILLIAM DOUGLAS HOME** (pronounced Hume) is a versatile playwright whose work includes political satire (*The Children Hundreds*), drama (*New Barabbas*) and comedy (*Lloyd George Knew My Father*). As an artillery commander before Le Havre in 1944, he anticipated Aluf Mishne Eli Geva's 1982 protest by refusing an order to bombard the encircled German garrison. They were bound to surrender within a few days, he pointed out, since the war had passed them by, and the shelling would only result in the civilian population suffering casualties needlessly. Despite being the son of an earl and the brother of a future prime minister, his treatment at the hands of his superiors was in startling contrast to that meted out to Geva, who was merely relieved of his command. William Douglas Home was summarily court-martialled and packed off to a military prison where he served a year.

A.B.

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# THE LIMITS TO EXPANSION

By MIKHAIL AGURSKY

A CRUCIAL QUESTION, one usually overlooked or misunderstood, is the relationship between a country's internal affairs and its foreign policy. Even in small countries, internal considerations often dominate external policy.

In this country, many people feel that the Lebanon war resulted more from the internal dynamics of Israeli political life than any absolute defence necessity. Some even claim that the Likud initiated this costly "luxury" war in order to guarantee a long-term domination in Israeli political life.

Even where bigger countries, notably the superpowers, are concerned, foreign policy is often less conditioned by international reality and more determined by their own internal dynamics.

Regarding the Soviet Union, there is a deep-rooted opinion among experts that Russian foreign policy is more or less a rational reaction to unfavourable trends, which the USSR thus tries to neutralize or renders more favourable to it. This view presents Soviet foreign policy as "reflective behaviour."

One can argue that this seemingly logical picture has almost nothing to do with current Soviet behaviour, and that it merely encourages one to draw the wrong conclusions in estimating real trends in Soviet foreign policy.

In fact, the Soviet Union, as the biggest country in the world, has no enemies which would like to destroy it. However, it does have enemies which are trying to stop its expansion, which constitutes the main world geopolitical danger since the 18th century.

Marx and Engels explained Russian expansionism by the immense amount of space which does not demand any intensive economic

activity, since one can always find new land instead of investing in existing land. For this reason, Russian economics has always been extensive.

Essentially this point of view still holds in the USSR. Russian economics has maintained its pillaging character because of the immense amount of natural resources. The barbaric exploitation of virgin land, Siberian resources or Russian forest is part of the national heritage. The country has become a victim of its space.

Russian expansion was thus a result of power and also of weakness, psychological compensation for the lack of efficiency, a substitute for intensive exploitation. Russian growth was not a result of health, but a manifestation of sickness.

This expansion was thus not motivated by the good or bad behaviour of a victim country. Cost was the only problem: everything that was easy to take was taken; friends as well as enemies. Many friendly neighbouring countries were swallowed up. But when Russian expansion met resistance, it immediately stopped.

SOVIET MIDDLE EAST policy has always had one final goal: fully-fledged Soviet domination in the area. Soviet support of Israel in 1947-1948 was aimed at throwing Britain out of the area; this support was conceived as merely a tactical step on the way to full domination in the Middle East.

The subsequent deterioration in the Soviet attitude to Israel was not caused, as some people believe, by anything offensive in Israel's behaviour. Rather, the deterioration was caused by fluctuations in Soviet tactics and was a consequence of the internal political struggle within the

Kremlin.

There is also a curious view that Soviet anti-Zionism, and even anti-Semitism, was an understandable Soviet reaction to the Israel-sponsored campaign for Soviet Jewry that got underway in 1955.

Such a thesis, if true, could have terrible political implications.

In fact, not only anti-Semitism but anti-Zionism existed in the Soviet Union long before the creation of the State as a purely Soviet domestic affair.

Incidentally, Soviet thaws in its relations with Israel — in 1953-1956 and in 1964-1966 — did not coincide with any change in Israeli policy and confirm the purely domestic motivation of the Soviet policy towards the Jewish State.

NOW, SOVIET expansion has come to a dead end because of the rapidly growing cost of expansion. The Soviet neo-colonial system is being kept together only by enormous and growing investments. This system requires very expensive maintenance because of the immense distances involved in the Soviet empire.

Soviet economics simply cannot sustain the empire. Indeed, the Soviet military-industrial complex swallows the very best of the Soviet Union's resources. Agriculture has been ruined and the Soviets are now hopelessly dependent on the West for food.

Moreover, the Russian demographic strength, which was the foundation of Soviet political power, has also been hopelessly undermined.

By its own actions, the Soviet Union also provoked the current arms race, which it is unable to sustain, either in quality or in cost. It has passed the limits of its power and

## Dry Bones



is likely now to continue on its irreversible decline.

It does not follow that the Soviet Union is weak. Indeed, even now, it is extremely powerful. It is weak only in relation to the unrealistic goals its leadership has been pursuing which have served to undermine the country.

Russia can recover within its natural boundaries and evolve along the lines of a nation-state, as happened with France and England. Even then, it will constitute a powerful force.

THIS PROCESS may explain the increasing signs of Soviet moderation in foreign policy and the Soviet Union's readiness to come to terms with the U.S. at least on the subject of the arms race, which is ruining the Soviet economy.

THE MIDDLE EAST policy of the Soviet Union is part and parcel of the

global Soviet policy. The Soviet Union can no longer maintain the same assertive policy as before and is probably trying to maintain the status quo mostly from considerations of public relations.

Certainly, it would like to come to terms with Israel as soon as possible, time is working against Soviet interests and its currently powerful position could later deteriorate.

At the same time, Israel may be ready to respond positively to any Soviet diplomatic opening, for after Soviet expansion ceases, Russia and Israel might be natural geopolitical allies.

Israel must follow carefully the internal political developments in the Soviet Union because only they will provide the clue to unravel the mystery of Soviet foreign policy.

The author is a member of the Soviet East European Research Centre at the Hebrew University.

## Suppressing the bully

By D'VORA BEN SHAUL

nied many a school outing. I do say that the recent tragedy in which one pupil inadvertently struck another and actually killed him with a blow to the solar plexus just might have been avoided if bullying were a bit better controlled by the teachers who are officially in charge of these outings.

While no one in this case was to blame (an investigating committee appointed by the Education Ministry found both the other pupil and the teacher blameless), still one tends to feel that someone should have intervened at the point where one pupil

was smearing the face and hair of a second pupil with toothpaste!

But the sad fact is that most teachers find it difficult, if not nearly impossible, to control their charges for the duration of a 45-minute class, let alone a 48-hour outing.

IT SEEMS to me that in the end only a cooperative effort on the part of teachers, parents and pupils can prevent the common situation wherein a child simply doesn't want to go on an outing. This, by the way, happens far more often than people believe. But

even though more girls than boys are ready to admit to being the victim of bullying, it is by no means only girls who are the target, and bullying between boys can be even worse. The fact remains that in every school outing, a number of pupils return in tears and swear to themselves that they will never go again.

The first thing the parents should realize is that these school outings are not mandatory, but optional. If a parent does not give written consent, then the pupil does not go. In addition to this, one pays for them.

Therefore both pupils and their parents should make it clear that unless control is exercised over class bullies, then no permission will be given. And no matter how much costs to cancel an outing, it must be made clear that if the teachers do not control the behaviour of certain pupils, then at the first instance harassment of others, the trip progress will be cancelled, and the entire class will go home at once, matter where they are or what scheduled. The only alternative to this is that one teacher or parent leave the trip with the offending pupil and go home by bus.

If something like this is now done then it is going to be impossible to have such outings. Some teachers have already suggested cancelling them as a class activity and having after-class school groups involved in nature study or geography of Israel or whatever run their own outings for which they are free to take on those who have joined the group to prevent their suitability.

Although the Education Ministry probably issues more directives at the ministry in the government, attention to this problem has so far proved ineffective when there is confrontation between a class and a teacher who really does know how to handle a situation that makes life a misery for untold numbers of pupils.

The writer is a member of The Jerusalem Post editorial staff.

## READERS' LETTERS

### ISRAEL'S FRIENDS

To the Editor of The Jerusalem Post Sir, — Israel has many friends in the United States and sometimes we take its best and most effective ones for granted. That is not very bright and frequently harmful.

Let us start by agreeing on the obvious: the failure of some Americans to agree with the incumbent Israeli Prime Minister on everything, does not mean that they are anti-Israel. If that logic were true, then all of us would be guilty because no one agrees with every position every government of Israel has ever taken.

Vice-President George Bush is a friend of mine, and he was recently criticized on the pages of this newspaper. He is a good and true friend of Israel. Given my own commitment to the State of Israel and my convictions, it would be difficult for me to maintain a close friendship with one who opposes one of my most cherished commitments. On a very personal basis I want to state that I stand with Israel and I stand with George Bush. These two are very compatible.

The Vice-President strongly supports the Reagan Peace Initiative of September, 1982. He supports the President, who believes that we need more Sadats, peace-makers and friends of the U.S.A. in the Arab world and certainly, less or no Gad-dafis.

That some disagree with how to bring lasting peace to the Middle East comes as no surprise. I myself do not agree with everything the President and Vice-President support, but it never occurred to me that that makes them less than supportive of Israel.

And lastly, on international terrorism, I know of no one who has denounced it more vigorously than George Bush. I remember his thoughtful speech given in Israel in 1978. I remember his veto in the U.N. when that body mindlessly wanted to condemn Israel for reacting when its athletes in Munich were brutalized.

His door is always open to the Israeli Ambassador. He meets frequently with Jewish leaders and groups. I remember that it was he, the only American ever, to tell Andropov and Chernenko to their faces that Soviet Jewry deserves better. I remember, too, his being the first highly visible American politician to speak out against Louis Farrakhan and his vicious anti-Semitism.

No, George Bush is my friend. He will make some mistakes along the way and he knows that. I, and many other Jews in the U.S. who are his friends, will tell him when we think he is wrong, but on the fundamentals, he is right. He is our friend, he is Israel's friend — make no mistake about it.

JERRY WEINTRAUB  
Los Angeles.

(The correspondent, 1983 General Chairman of the Israel Bonds campaign in Los Angeles, is chairman of Management III, an entertainment conglomerate. He has been, or is, personal manager for well known clients like John Denver, Sylvester Stallone, Wayne Newton, Neil Diamond and others, and has produced a number of films, among them: "Oh G-d.")

### HAMASHBIR'S PRICES

To the Editor of The Jerusalem Post Sir, — In answer to a reader's claim that a pair of slacks made in Israel cost almost twice as much as Hamashbir Lazarchan as they did in Marks & Spencer in London, the secretary of Hamashbir replied that "on top of the cost price we at Hamashbir have to add the cost of customs and import duties, sales tax, freight handling and insurance from the UK to Israel as well as the special 15 per cent surcharge on imports and 15 per cent VAT." (On November 22).

Is this to say that Hamashbir imports from England slacks that have been exported by Israel?

TANIA ZOHARI  
Jerusalem.

### HOW BAKR ALI ABDULLAH DIED

To the Editor of The Jerusalem Post Sir, — Since the Palestinian youth Bakr Ali Abdullah was killed on November 22 in Ramallah outside my third floor veranda window, I wish to record the following for your readers:

1. I saw unarmed youths fleeing down the street and then up an alley.  
2. Two IDF soldiers in close pursuit (several others were further behind) were firing their rifles. They did not shoot wildly but stopped every few yards, aimed and fired.

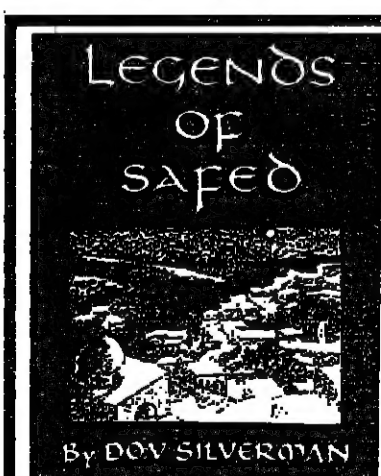
3. The vehicle in which the body of Bakr Ali Abdullah was put did not arrive until five to ten minutes after the shooting was over. It was a truck-like vehicle which remained parked in the street 15-20 minutes after the body was put in it. An IDF ambulance that arrived was sent away by officers present.

Israeli civilian society should in-

quire into whether Israel Defence Forces soldiers in the occupied West Bank have been given orders to shoot and kill unarmed youths in situations of hot pursuit, where no personal danger to the soldiers involved exists, and thus have been given the right to act as judge, jury and executioner for boys who throw rocks.

In response to Knesset Member Yuval Ne'eman's statement about what we teach at Birzeit, he is welcome to come and examine the books I use. Considering the conduct of young Israelis I have witnessed here in the past few days, I in turn would like to express my concern about what they seem to have been taught.

PETER HEATH  
Assistant Professor  
Birzeit University  
Ramallah.



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